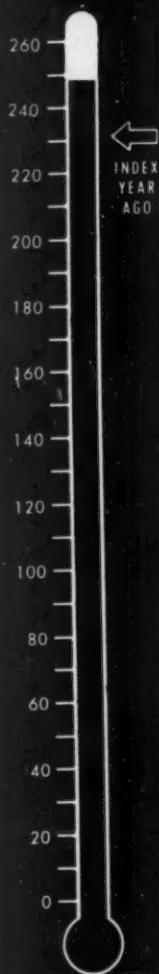


BUSINESS WEEK

Price Boards

OPS' LAST TRY?

PAGE 43



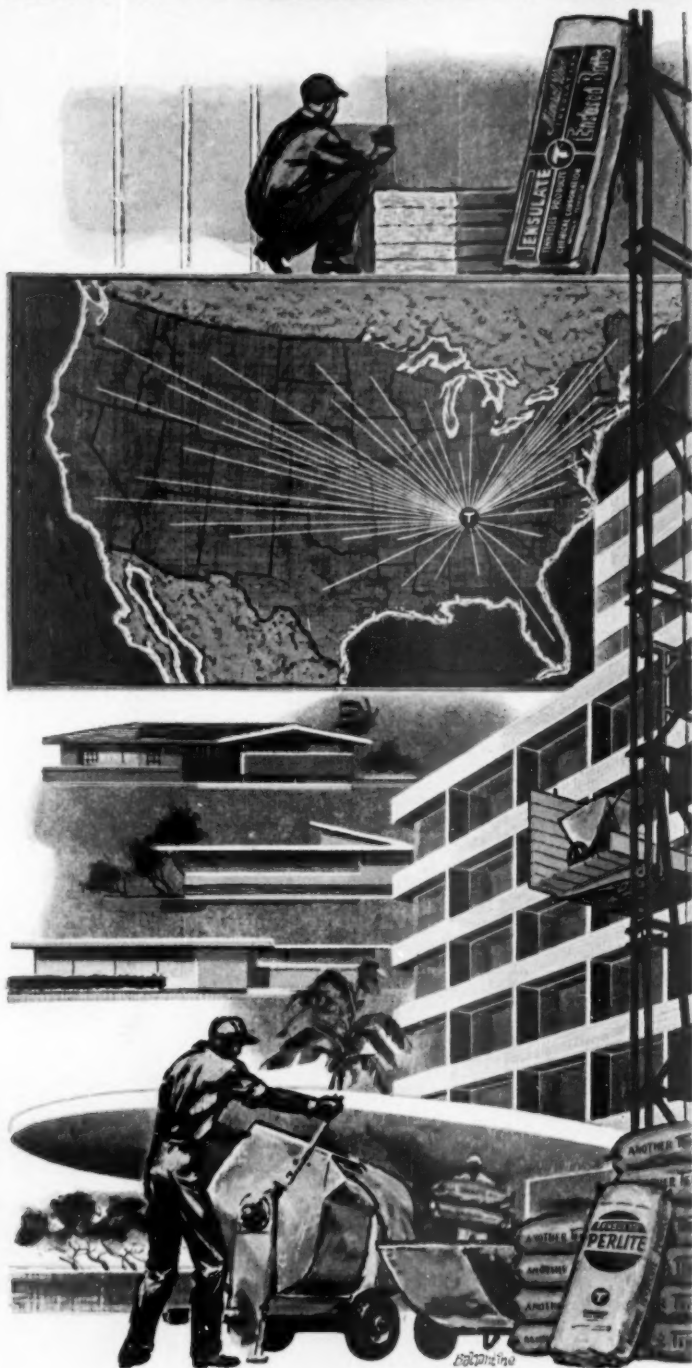
Murray of Hooker Electrochemical: Deciding about Canada (page 82)

A MCGRAW-HILL PUBLICATION

NOV. 29, 1952

TWENTY-FIVE CENTS

THERE'S A TOUCH OF **TENNESSEE** IN **FLORIDA BUILDING**



Florida Building is essentially modern in every respect. Here in Florida and in the rest of the booming South, Tensulate Perlite and Tensulate Mineral Wool are used in ever-increasing quantities.

Tensulate Perlite replaces sand in making plaster which will take nails without cracking and in making light, strong concrete that can be cut with a saw. Tensulate Mineral Wool Insulation keeps homes 15° cooler in summer and more comfortable the year round.

TENNESSEE also ships products to other thriving Florida industries... which use Benzene Hexachloride (BHC) for insect control, sodium benzoate as a preservative, charcoal for curing tobacco. These and many other products from TENNESSEE are used by a wide variety of manufacturers throughout the 48 states. That's why TENNESSEE is known from Coast to Coast as an industry serving all industry.



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PRODUCTS • TENSULATE BUILDING
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Office noise . . .

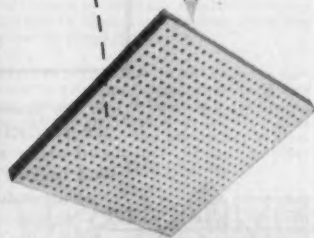
. . . travels in all directions . . .

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hard surfaces.

It creates fatigue . . .

. . . and lowers efficiency.

Add "quiet" by
installing a
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A high noise level can cause needless mistakes and overtime in your office. To learn how Armstrong's Cushiontone® saves you money by eliminating "noise-tension," see your local Armstrong Acoustical Contractor. For your copy of the free booklet, "How to Select an Acoustical Material," write directly to Armstrong Cork Company, 5211 Walnut St., Lancaster, Pennsylvania.



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MACHINISTS & FOUNDERS

HARTFORD, CONN., U.S.A.

ESTABLISHED 1834

October 7, 1952

Mr. T. H. Wickenden, Vice President
International Nickel Company, Inc.
Development and Research Division
67 Wall Street
New York 5, N. Y.

Dear Mr. Wickenden:

Although the gray iron foundry industry has grown more and more complex with each passing year, it has always been our aim to keep abreast of new developments and produce only the highest quality castings.

For many years we have supplied alloy iron castings to general industry and have recently expanded our operations. Our new \$1,300,000 foundry is equipped with chemical, physical, metallographic and gamma ray testing equipment for the convenience of our customers. We are prepared to furnish to specification nickel alloyed gray iron, Ni-Resist and Ductile Iron castings weighing from a few ounces to over five tons on either production or jobbing orders.

Since the New England Technical Field Section was established in 1934, we have consistently called upon your field men for technical advice and assistance. In many instances they made valuable suggestions and helped us solve troublesome problems. We appreciate such wholehearted cooperation and wish to thank you for providing this service.

Very truly yours,

THE TAYLOR & FENN COMPANY

William W. C. T. Dall

Vice President

WWCB/E



At the present time, nickel is available for the production of nickel alloy cast irons and other alloys containing nickel, for end uses in defense and defense supporting industries. The remainder of the supply is available for some civilian

applications and governmental stockpiling. We shall continue to make available to industry technical data and service experience on alloys containing nickel, as dissemination of such information can help promote the intelligent utilization of critical materials.

THE INTERNATIONAL NICKEL COMPANY, INC. 67 WALL STREET
NEW YORK 5, N. Y.

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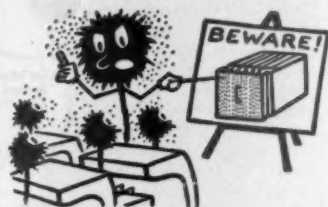
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AIR-MAZING FACTS

BY O. SOGLOW



WHY SMOKERS GET STEAMED UP. If you like to smoke a pipe, you might enjoy a few puffs on your kitchen tea kettle, too. It's been found that about 70% of the so-called "smoke" from a pipe is actually steam.



ELIMINATES DUST ELECTRONICALLY! Electromaze electronic air filters "electrocute" dust, pollen—and even smoke particles. New "file drawer" design makes Electromaze lighter, stronger, easier to service. Users report prefabricated holding frames cut installation costs in half!



SORTS OIL FROM AIR! To keep troublesome oil out of crankcase ventilation systems, most internal combustion engine manufacturers use Air-Maze oil separators. Oil droplets are removed from the air stream, collected, and returned to crankcase. Available to engine builders in open-to-atmosphere types and in-line or closed circuit types.

WHETHER YOU BUILD OR USE engines, compressors, air-conditioning and ventilating equipment, or any device using air or liquids, the chances are there is an Air-Maze filter engineered to serve you better. Representatives in all principal cities, or write Air-Maze Corporation, Cleveland 5, Ohio.

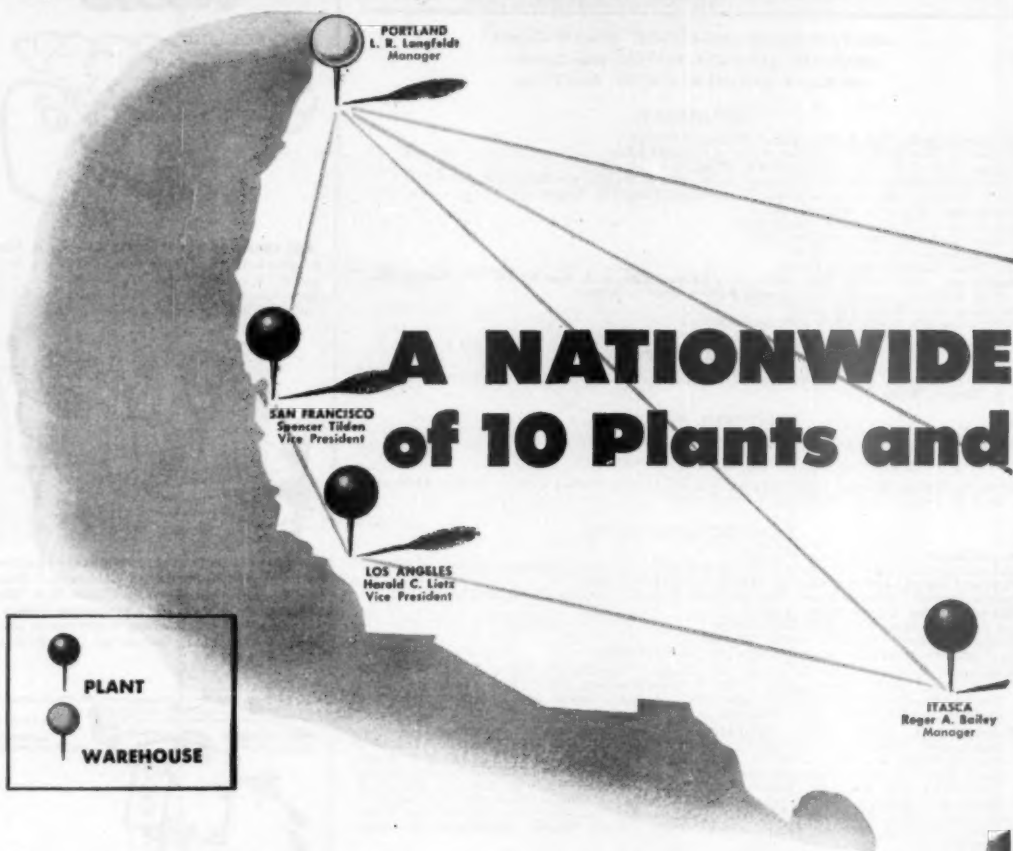
AIR-MAZE

The Filter Engineers

AIR FILTERS
 SILENCERS
 SPARK ARRESTERS

LIQUID FILTERS
 OIL SEPARATORS
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SERVING MAJOR USERS OF



TODAY—anywhere in the United States—the user of industrial adhesives can call upon a nearby Arabol plant or warehouse. He can be sure of prompt service on all of his usual requirements and on efficient help in meeting new requirements. From whichever source—7 plants and 3 warehouses—he draws upon 67 years of pioneering experience. In the event of disaster or economic need in one area, he is served from another plant. At all times he is sure of uniformity in products.

* * *

The original factory and offices were established in New York City in 1885, the big Brooklyn plant in 1899. Arabol customers have had local service: from Chicago,

since 1914; from Boston, since 1924; from Philadelphia, since 1926; from San Francisco, since 1931; from Portland, Ore., since 1941; from St. Louis, since 1947; from Atlanta, since 1948; from Los Angeles, since 1948; from Itasca, Tex., since the beginning of 1952.

Meantime, from the United States plants and from London (since 1930) Arabol has served customers in many countries abroad for more than 30 years.

When you think of adhesives, think of Arabol! And when you think of Arabol, think of Arabol as the oldest big firm in the industrial adhesives business—67 years old and still expanding.

THE ARABOL MANUFACTURING CO.

Executive Offices: 110 East 42nd Street, New York 17, N. Y.

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Frank J. Michael
Manager

ORGANIZATION Warehouses



10,000
formulas

Laboratories for the improvement and development of adhesives are maintained in five of the seven Arabol plants. These are in New York, Chicago, St. Louis, San Francisco and Los Angeles. In these laboratories some 10,000 adhesives formulas have thus far been developed, each meeting a specified need for a specialized adhesive in some step of a customer's manufacturing, labeling, packaging, shipping.

It is our privilege to serve the leaders in a hundred industries for a thousand end uses. Among the major applications for Arabol Adhesives today are... Bookbinding, Bottle Labeling, Cabinet Making, Can Labeling, Carton Sealing, Case Sealing, Drinking Cups, Envelopes, Package Wrapping, Paper Boxes, Paper Converting, Paper Milk Bottles, Pipe Lagging, Printing, Rug Fabrication and Shipbuilding.

You can learn about Arabol Adhesives only by trying them and by evaluating the services of our Technical and Service Staffs. Call upon these services—from the plant or warehouse nearest you... We invite the opportunity to submit samples for you to test in your own plant—under your particular working conditions—for your specific requirements. That is the one kind of testing that assures you of satisfactory results. Your inquiry to Department 66 will bring a prompt response.

Adhesives? **ARABOL!**

67 Years of Pioneering



ATLANTA • PHILADELPHIA • BOSTON • PORTLAND, ORE. • ITASCA, TEX. • LONDON, ENG.



Remarkable new *DICTABELT* gives reproduction like F-M radio !

"Clear as F-M radio," say executives and secretaries who have heard the reproduction of the pure, new *Dictabelt*.

Gone is the day of that costly secretarial complaint, "What did he say?"

Every word you think out loud, or low, is captured with such true-voice clarity that transcription—the real pay-off in dictation—is simpler, faster, letter-perfect.

Clearly, the new *Dictabelt* opens up a new era in electronic recording on plastic.

Thanks to Tennessee-Eastman and Dictaphone, the new *Dictabelt* is the purest plastic dictation record yet developed. Yet, it's so inexpensive that you use it only once.

With this exclusive, *superior* medium, you always have a fresh, pure recording surface. Normally, *Dictabelt* is transcribed and thrown away, but this unbreakable voice record is easily mailed or filed.

Remember: *Dictabelt's* many exclusive advantages are available only with the Dictaphone TIME-MASTER, the dictating machine that's making business history.

Only **DICTABELT** gives you these 5 Advantages!



1. Uniform recording or reproducing quality from first word to last—15 (or 30) minutes on an endless plastic belt no bigger than the illustration.



2. Uniform backspacing. Your secretary reviews instantly, automatically in *equal* earfuls. You have automatic push-button playback.



3. Easy place-finding, because Dictabelt's recording surface is clearly visible and accurately related to simple, practical index system.



4. Lowest cost for new surface. Dictabelt's cost per average letter is less than the letterhead it's typed on! And it's a permanently *live* record!



5. Mailable! 5 Dictabelts may be mailed in a standard envelope for 3 cents, a boon to salesmen, travelers, inter-office communication by voice.

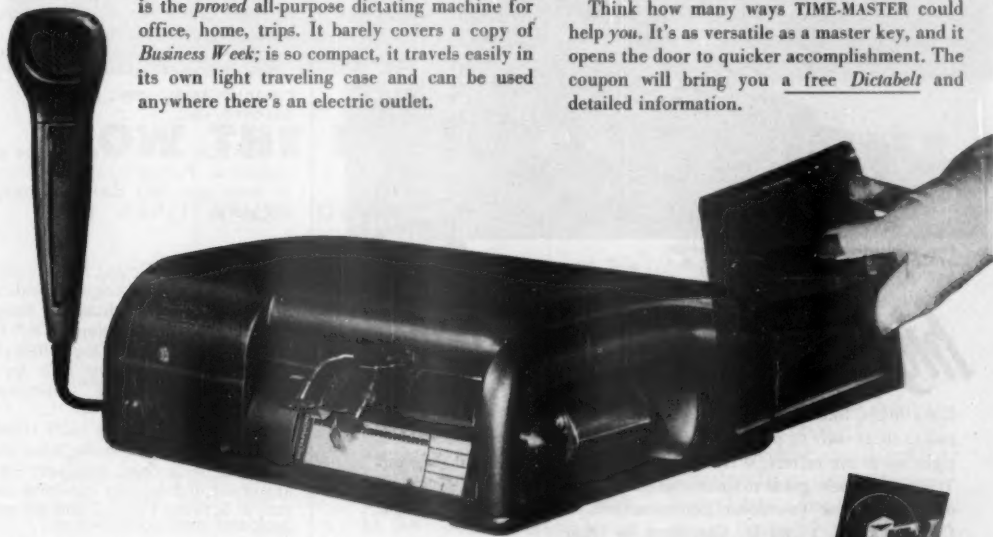
DICTABELT...exclusive with Dictaphone's dictating miracle, the TIME-MASTER!

Like Dictabelt, TIME-MASTER is a tested invention of Dictaphone Corporation, the industry's pioneer, specialist, and leader in providing the best in dictation machines, methods, and service.

Rugged yet magnesium-light, TIME-MASTER is the *proved* all-purpose dictating machine for office, home, trips. It barely covers a copy of *Business Week*; is so compact, it travels easily in its own light traveling case and can be used anywhere there's an electric outlet.

TIME-MASTER is the preference of leaders in industry, the professions, and of heads of states and nations. Like you, they *could* get along without TIME-MASTER, but once they try it, nothing else satisfies.

Think how many ways TIME-MASTER could help you. It's as versatile as a master key, and it opens the door to quicker accomplishment. The coupon will bring you a free Dictabelt and detailed information.



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AND
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420 Lexington Ave., N. Y. 17, N. Y.

I would like:

☐ A free Dictabelt and folder. ☐ A free TIME-MASTER demonstration.

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Company

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City & Zone State





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IN ACTION
IN U. S.
INDUSTRY

high, wide and then some-

Long loads, loose loads, whoppers, or what have you . . . Towmotor makes short shift of putting *any* capacity-cargo anywhere you want it, right up to the rafters. Write for your copy of "Man-Hour Thieves," Towmotor's new guide to successful cost cutting procedures, and name of your nearest Towmotor Representative. Towmotor Corporation, Div. 2, 1226 E. 152nd St., Cleveland 10, Ohio.

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READERS REPORT

Foreign Aid

Dear Sir:

When reading the article, "Foreign Aid: What Comes Next?" [BW—Oct. 11'52,p106], I was interested in the following paragraph:

... "Countries like Australia and New Zealand will probably offer the most favorable opportunities for private capital. South Africa will fall in the same group, if it can solve its racial problem. Economically, these countries now are about where Canada was 20 years ago."

I rather doubt the validity of the final sentence of the above paragraph. According to a study by the League of Nations, Canada was the eighth country in the world in order of manufacturing importance 20 years ago.

On the whole, I thought your article a very interesting one, and only mention the above point because I have found that while American economic and business writers are very well informed on Canada's development of primary materials, they usually write as if manufacturing has only become of importance in this country since 1939. This is far from the case as the above reference to a League of Nations study shows.

E. G. REBURN

GENERAL SECRETARY
CANADIAN MFRS. ASSN., INC.
TORONTO, ONT.

• Ours may not be a very precise generalization. Perhaps we should have said 30 years ago. But the comparison is still useful.

Dear Sir:

Your current "Report to Executives" on the problem of foreign aid indicates that there are two schools of thought regarding the future of foreign aid. One calls for a policy of "live-within-your-means," while the other calls for expanding trade through a "semimanaged international economy."

In reading this report . . . I failed to see any expression regarding what seems to me to be a third possibility—a realignment of European economic interests, as between England and the continent:

England appears throughout the discussions of European recovery to assume the role of a dog-in-the-manger; she cannot control the trend toward European unity, and refuses to join in it or consent sincerely to it, yet blocks its realization by this refusal. . . .

A natural solution for this imbroglio would seem to be for all the English-speaking peoples—Australia, Britain, Canada, New Zealand, the U. S. A.—



NOW THE PICTURE IS 50% BETTER

AN APPLICATION OF KELLER AIR TOOLS

No need to explain that the TV set above is on the factory assembly line; or that the workman is attaching the picture tube to the chassis.

In this particular part of the assembly, he uses a Keller Nut Setter to run down and tighten the wing nuts which hold the tube in its mounting bracket.

For other parts of his work he uses other Keller Tools... you can see them conveniently mounted in "scabbards" along the edge of the work bench.

Since Keller Tools were installed at this and other stations along the TV assembly line, the labor cost picture has improved 50% to 60%—and so have labor

relations. That is reported to us by management.

Workers know and appreciate when they are provided with tools that enable them to do their work with greatest ease and efficiency.

Keller Air Tools help to streamline production and reduce costs in literally thousands of manufacturing plants. Are they helping in yours?



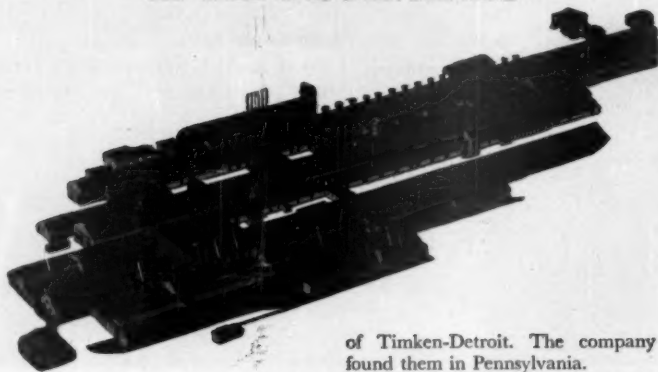
Air Tools engineered to industry

KELLER TOOL COMPANY, GRAND HAVEN, MICH.

AIR MOTORS • AIR HOISTS • AIR HAMMERS • AIRFEEDRILLS • COMPRESSION RIVETERS • GRINDERS • DRILLS • SCREW DRIVERS • NUT SETTERS

The TIMKEN-DETROIT AXLE COMPANY

moves into a 650,000 square-foot plant
in PENNSYLVANIA



For several years, the Timken-Detroit Axle Company, working with the National Security Resources Board, has been improving the strategic location of its plants. As part of the program, the company has recently started production of axles, axle housings and other equipment for trucks, buses and trolley coaches, as well as defense applications, on a 45-acre site at the outskirts of New Castle, Pennsylvania.

Tooled for peak efficiency, the plant now employs 1,700 people. Additional personnel will be added as the 650,000 square-foot plant reaches peak productivity.

Raw materials, constantly available in adequate volume, and a good labor market are basic requirements

of Timken-Detroit. The company found them in Pennsylvania.

Whether you seek a new plant location for strategic reasons or to expand your business, the millions of dollars that have been poured into new plants here proves that hundreds of other companies find Pennsylvania a good place in which to be in business. Let us help you gather facts on sites, markets, taxes, raw material and labor supplies, etc.

WALTER F. ROCKWELL, president of The Timken-Detroit Axle Company, said: "*Favorable State and local tax laws, combined with the State of Pennsylvania's proven record of creating a favorable climate for industry, has made us well satisfied with our choice of this plant site for such an important unit of our operation.*"

COMMONWEALTH OF

Pennsylvania

DEPARTMENT OF COMMERCE

Harrisburg, Pennsylvania

JOHN S. FINE, Governor

ANDREW J. SORDONI, Secretary of Commerce

and their close economic associates, to unite in an international customs union, to reduce tariffs, balance wage levels, and open trade channels as between themselves, leaving the European nations to establish a customs union of their own if they so desire, without further interference by Britain. In this manner, England would achieve her feeling of security independently of Europe, and the Europeans would welcome the opportunity to unite in their own way and time.

The idea of an international customs union, by the way, has the distinct advantage that it can bring about economic unity without impairment of national sovereignty. . . . The idea needs further amplification among all the international groups, as a way out of their fear-filled difficulties. A customs union can proceed to level trade barriers, by equalizing or removing tariffs, raising the wage levels of the lowest to a point where economic advantage is not too unfairly placed, and generally working for the common good without sacrificing national sovereignty in the least. . . . It is worthy of more serious thought than we have given it so far.

BRUCE B. JOHNSON

PASADENA, CALIF.

Dear Sir:

The Chicago schools are stressing the development of economic competence as a major function of living. Also, at this time a new course of study in economic geography is being developed. For both purposes statistical and graphic materials are necessary and usually difficult to obtain. I was elated with "Foreign Aid: What Comes Next?" . . . Could I obtain several copies? . . .

MARY R. PRENDERGAST

RESEARCH TEACHER
DIVISION OF CURRICULUM
DEVELOPMENT
BOARD OF EDUCATION
CHICAGO, ILL.

Dear Sir:

. . . Like all of your Reports to Executives, it is stimulating and informative reading. . . .

VALENE L. SMITH

GEOGRAPHY DEPT.
LOS ANGELES CITY COLLEGE
LOS ANGELES, CALIF.

Dear Sir:

. . . excellent Report to Executives. . . .

A. E. RICHARDS

ASSOCIATE DIRECTOR—MARKETING
ECONOMICS DIVISION
DEPT. OF AGRICULTURE
OTTAWA

Dear Sir:

As enthusiastic readers of BUSINESS

BUSINESS WEEK • Nov. 29, 1952

The bag
that
breathes—
to bring YOU
better coffee



ONE of the most difficult products to package properly is coffee. The trick is to keep flavor-stealing oxygen from getting in, while permitting carbon dioxide to get out.

The answer is the PLIOFILM lined bag you see here—now being used successfully by many coffee roasters.

For PLIOFILM allows the bag to breathe. By keeping air out, by letting CO₂ escape, PLIOFILM preserves

coffee taste and aroma far longer. In fact, with the supply of tin getting shorter, it is an excellent and economical replacement for vacuum tin packaging.

Is your product one that might benefit from such air-protection? Could it use the many advantages found in PLIOFILM?

PLIOFILM is air-moisture-liquid-proof—seals wanted moisture in, unwanted moisture out. It has dimensional stability, doesn't pucker or shrink. It is hard to tear, split or puncture—won't shatter or run. Because it is so strong and durable, it eliminates repackaging, gives lasting protection. Its gleaming transparency flatters any product, speeds inspection and sales.

PLIOFILM is adaptable to all types of machine packaging. It also heat-seals readily with hand tools in packaging at store level.

Want to hear more? Fill out the coupon below and we'll mail you—free of charge—a copy of "Plain Facts About PLIOFILM"—a booklet that tells you all you want to know about this moistureproof, transparent film.

Pliofilm, a rubber hydrochloride—
T. H. The Goodyear Tire & Rubber Company, Akron, Ohio

GOOD THINGS ARE BETTER IN

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3-WAY PROTECTION
AGAINST AIR,
MOISTURE, LIQUIDS

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GOODYEAR, PLIOFILM DEPT., AKRON 16, OHIO

Please send me free copy of "Plain Facts About PLIOFILM."

Name

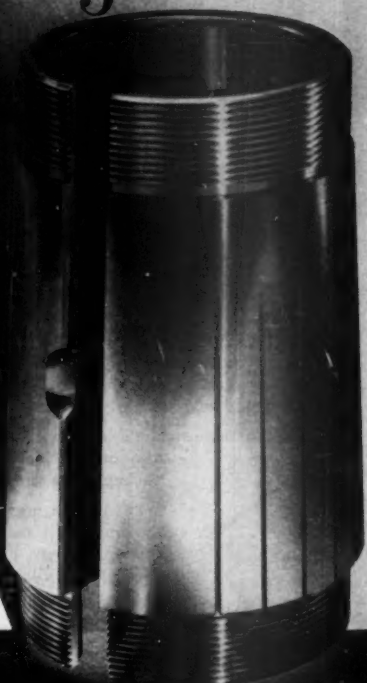
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City and State

Bunting®

Enduring Precision



This spindle bearing is standard equipment on spindles designed by a world-famous builder of precision grinders. For extreme accuracy, for freedom from vibration, and for enduring precision, only sleeve bearings will do. Where other types of bearings retain their accuracy only for months, Bunting Spindle Bearings endure for years. Where other complex types require a surgical standard of cleanliness and a watchmaker's skill for replacement, the Bunting Sleeve Bearing requires only common-sense and the services of a good mechanic.

The secret of this performance and long life lies in the film type of lubrication. A properly designed and well lubricated sleeve bearing need not acknowledge any superior. No other bearing type possesses its simplicity, its ruggedness, its ability to deliver accurate work for many years. These attributes are possessed by the sleeve bearing.

Bunting engineers are at your service whether your problem is a precision grinder spindle or something of more, or of less, exacting requirements.

The Bunting Brass & Bronze Company, 720 Spencer St.,
Toledo 1, Ohio - Branches in Principal Cities.

BRONZE BEARINGS • BUSHINGS • PRECISION BRONZE BARS

WEEK we have with great interest read the article "Foreign Aid: What Comes Next?"...

ARNE BERGENHAG

ASST. TO THE DIRECTOR
COMPANIA FRUTERA DE
ASTRAL (ECUADOR), S.A.
ESMERALDAS, ECUADOR

Don't Cotton to Reporting

Dear Sir:

For almost 10 years Skillmill has been a regular subscriber to BUSINESS WEEK. It is the one business magazine we read faithfully and regard with genuine respect. We are wondering, however, if our faith has been misplaced after reading... your article, "Helping an Oldtimer Make a Comeback" [BW—Oct. 25 '52, p54]....

You say "About a year ago, name designers such as Hope Skillman got interested—and proved they could make money on fashion cottons." The fact is that Hope Skillman has built her name on high fashion cottons and has been making money on them for much longer than 10 years! The textile converting firm which she owns and heads makes only high fashion novelty cottons and will be 10 years old this year! Before founding her own business, she was pioneering for cotton in one of the largest textile firms in the country. This pioneering for cotton has won Hope Skillman wide acclaim....

DOROTHY JOHNSON WERNER

PROMOTION DIRECTOR
SKILLMILL, INC.
NEW YORK, N. Y.

It's Not Magic

Dear Sir:

... For several years now I have been reading BUSINESS WEEK regularly. We grow to take many things for granted and cease to become unduly impressed with what may actually be a miracle.

Of late I have been conscious of the kind of job being done through your great publication. The wealth and breadth of the subjects treated and the fine hand of writing and editorship are constantly revealed in each issue. Were this a monthly it might be expected. But such masterful coverage in print and pictures rendered every week is indeed a feat and only worthy of a band of hawk-eyed magicians.

This magazine is of tremendous help to thousands of businessmen. As one of these, I wish to express my gratefulness to you and to all your able associates.

FRANK CLARKE

EASTERN MANAGER
PITTSBURGH PLATE GLASS CO.
BROOKLYN, N. Y.



Running Water WRINGS WET WASH DRY!

Wringing the water out of 225 pounds of "wet wash" used to be done mechanically in laundries by whirling the clothes in a huge, spinning metal drum. Laundry owners found this method slow, costly and hazardous because of high power consumption, time lost in "revving up" the machines and the severe stress put on fabrics. Added to this, nerve-jangling noise and vibration made these machines a real mental and physical hazard!

To eliminate these drawbacks, the Zephyr Laundry Machinery Company, a large manufacturer of commercial laundry equipment, enlisted the aid of Firestone research engineers. Working together, these two companies pioneered the field of "squeeze bag extraction" to produce the revolutionary Zephyr Hydraxtor!

The laundry is placed inside a rubber bag... specially compounded by Firestone for utmost toughness

and flexibility. This bag is housed in the Hydraxtor tank. Water is then forced in through the bottom of the tank and hydraulic pressure—"water power"—compresses the sides of the Firestone Squeeze Bag, to wring the wet laundry dry! This wringing job is done thoroughly, silently, smoothly... and with amazing economy! Cuts down appreciably on power costs and fabric damage. Saves up to 75% of operational time. Produces up to four extra loads per hour!

Have you a problem?—Do you need a compound to cushion, protect, wrap, or waterproof? Would increased resistance to abrasion, oil, heat, acid or steam help make your product better? Would elimination of vibration, noise or shock benefit your business? If so, we suggest you write and let our rubber research engineers help solve your problem. In many cases, with a stock part; in others with a specially designed unit. Write Firestone, Dept. 9B, Akron, Ohio.

Firestone Techni-Service pays off again

Enjoy the Voice of Firestone, Monday evenings on NBC Radio and Television



ENGINEERING REPORTS:



FIRE AND FLOOD, like Kansas City's 1951 disaster, signal the immediate mobilization of the G-E Apparatus Service Shops and Field Engineers to help supply power, heat, water and sewerage disposal needs. Techniques for restoring damaged electric equipment to serve vital community and industrial requirements have been greatly speeded up and improved by G-E service engineers.

age disposal needs. Techniques for restoring damaged electric equipment to serve vital community and industrial requirements have been greatly speeded up and improved by G-E service engineers.

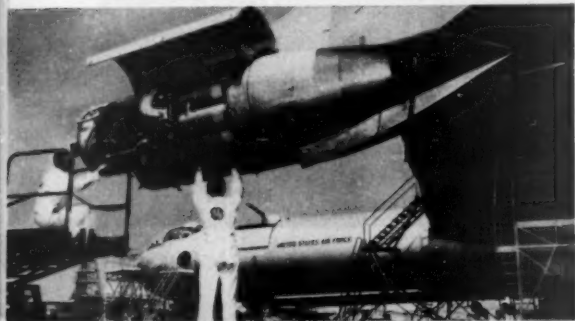
These engineering "minute-men"



EMERGENCY WORK is handled in your own plant or in a G-E Service Shop. Repairs on this Cleveland plant's 5000-kva transformer were made in six hours at night with no production loss.



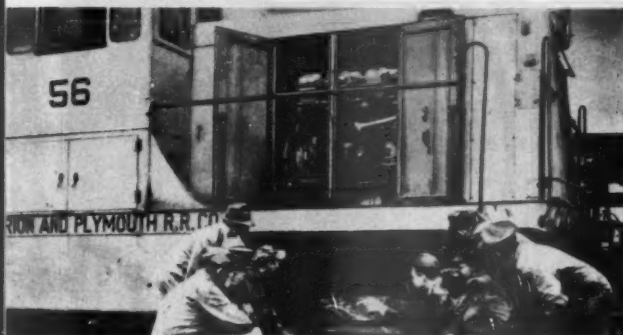
KEEP 'EM SAILING service cuts idle port time with day-and-night work on emergency repairs. Ships keep closer schedules, boost earnings. Here, a propulsion gear is being installed in a modern tanker.



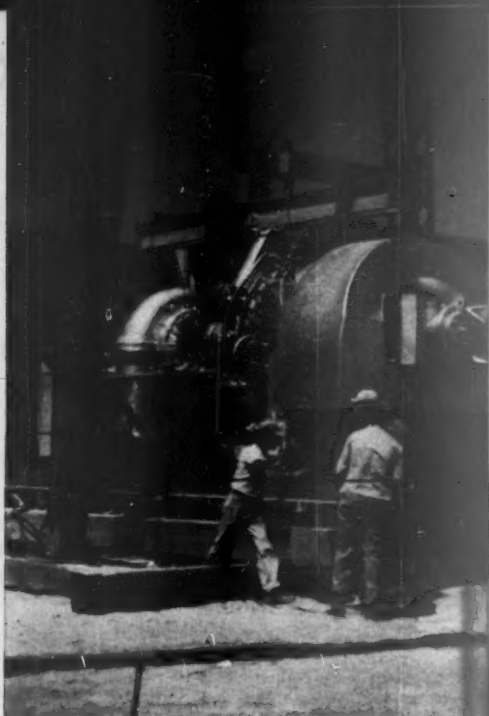
AIRCRAFT MODIFICATION for defense uses four G-E service centers, which work on aircraft gas turbines, turbosuperchargers and fire control. Here G-E technicians check a J47 jet engine.



START-UPS of complex system-engineered equipment are guided by G-E service engineers to assure successful operation. At U. S. Steel's new Fairless Works, G-E engineer W. E. Miller (left) discusses 79½ mph cold-mill drive.



PERSONNEL TRAINING—another G-E engineering service—instructs your men on operating and maintaining large apparatus. Here G-E engineer E. J. Grassie explains locomotive maintenance practice on 44-ton diesel-electric.



SUPERVISION OF INSTALLATION by G-E service engineers assures proper start-up of this gas turbine—one of 28 units for gas-pipeline pumping in the Southwest.

guard your equipment investment

G-E services on installation, maintenance, and repair help assure top performance of your electric apparatus

Ready to back up your General Electric apparatus are *extra* engineering services that put it into operation sooner, keep it in top condition, give it extra earning power.

To help you get into production sooner, a nation-wide team of G-E service engineers will help you or your contractor install your electric apparatus, check operation at start-up. For example: 50,000-kw turbine-generators that once took 4 to 5 months to install now start turning out power in one-third the time.

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These *extra* engineering services work for you when you specify "G.E." for electric apparatus. Where high-quality system engineering is required, these services add to the application engineering help offered your engineers or consultants. Contact your local G-E Apparatus Sales Office. General Electric Co., Schenectady 5, N. Y.

67-4C



G-E ENGINEERS William M. Denny (left), manager, and Thornton W. Howard, of the Service Engineering Department, inspect progress made during the installation of a turbine-generator for an Eastern electric utility.

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	<p>YOU WILL BE WELL SERVED BY</p> <p><i>The</i> <i>Travelers</i></p> <p>HARTFORD 15, CONNECTICUT</p>
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BUSINESS OUTLOOK

BUSINESS WEEK
NOVEMBER 29, 1952



Christmas sales—and retail volume after Christmas—will have more to do with shaping the 1953 business curve than some people realize.

Consumers hold the key to industrial and commercial expansion and inventory policy. **If the public spends:**

Inventories will be no problem in January. They'll be sold.

Expansion (factories, stores, warehouses) should be bigger than now planned.

Confidence is running high. The election was no small factor. Store men count on good sales (BW-Nov.22'52,p28,29). Manufacturers' new orders leave little to be desired. Commercial building and modernizing—due to grow as controls lapse—could even top the forecasts.

High hopes for Christmas sales could be dashed, of course.

Thanksgiving Day is late this year. There are only 23 shopping days between Thanksgiving and Christmas against 26 last year. That's a handicap, but not too great a one—unless the weather is unfavorable.

Sales up to now hardly count; besides, they're deceptive. Last week looked good. But it was a six-day week compared to five last year.

This week we'll be comparing five shopping days with six in 1951. Moreover, those six days last year were big ones.

Consumers will have more money to spend this year than ever before. That, by itself, all but guarantees good Christmas sales.

Yet the buyer is a creature of whim. A little penny pinching—perhaps out of fear for what 1953 holds—could change everything.

On the psychological side, weigh in the stock market. Its recent rise should give people a good feeling. And stockholders should be easy spenders. They may not have a penny more cash than a month ago, but at least on paper they're better off.

Construction, barring a jolt to confidence, will be big in 1953.

The question, though, is whether it will top this year. You can find a lot of doubters, but the Commerce and Labor Depts. have just completed a study that provides grounds for optimism.

They predict a dollar gain of 4% over-all. Volume in 1953 would be \$33½-billion against an estimated \$32.3-billion this year.

And that allows for a 28% drop in new industrial construction.

Spending for capital equipment as a whole won't fall nearly so much as factory building next year. That's true for two reasons:

- (1) You can't install equipment until after the roof is in place. Besides that lag, machinery costs at least \$2 for each \$1 of building.
- (2) You can spend a lot modernizing without any building at all.

Largest gains next year in privately financed construction will be in commercial buildings. The Commerce-Labor study sees a 20% gain in value of warehouses, offices, and loft buildings; the gain is put at 33% for stores, restaurants, garages, and the like.

And remember: This category can mushroom if consumers spend.

BUSINESS OUTLOOK (Continued)

BUSINESS WEEK

NOVEMBER 29, 1952

Public construction will rise enough to cushion—in part—the shock of any decline in private outlays. And this isn't just a matter of "made work." States and cities already have big budgets (B17-Nov.15'52,p134).

Washington figures public outlays for 1953 at \$11.3-billion. That would be a gain of nearly \$700-million, or about 6%.

Highways would make up \$3-billion of this for a rise of 9%.

Machinery orders should be watched from now on as a clue to manufacturers' confidence under a Republican President.

The latest government figures, covering orders placed in September, were close to a record. That, however, doesn't necessarily mean much; it could be a rebound from the buying slump during the steel strike.

Machine tool builders, in fact, saw business slide in October.

Actually, though, those figures are ancient history. Next year's corporate budgets, allowing for the change in politics, will tell the story.

Here's a figure that will give you some idea how important activity in machinery manufacturing can be to our economy:

The industry employs over 2.6-million workers (up 60,000 in a year).

And that's just in making machinery. It doesn't include the people that mine and fabricate the metals that go into machinery. And it takes no account of transportation equipment (trucks, autos, freight cars).

Nonfarm employment in October was unchanged from September's record. But that covers up the most important figure.

Employment in manufacturing rose again to set a new peacetime peak just over 16.4-million. That's up nearly half a million in a year.

Factories turning out durable goods accounted for nearly three-quarters of the year-to-year employment gain. The biggest addition was in auto factories, but there were gains in almost all sectors excepting lumber and wood products (and this dip was partly offset by furniture).

Fewer construction workers are turning out more work. Value of construction in October was \$3-billion, 5% more than a year ago. Yet workers totaled less than 2.7-million, down 75,000.

This, of course, may be due to a shift in the types of projects as much as to any increase in productivity.

Gyrations in the markets for zinc and lead can be blamed on events in London, but the current quicksilver boom is squarely up to Washington.

Prices of the silvery liquid this week neared \$210 a flask on small lots—and it was difficult to get a firm quotation on bigger ones. Spain has quicksilver to sell, but isn't sure what price to ask.

The jump of \$20 a flask followed predictions in Washington that our consumption next year would be up something like 60%.

The metal trade wonders, if this is true, where it all will go. Maybe some of it will just vanish—to keep it away from Russia.

There won't be quite so many people for Eisenhower to fire when he gets ready to economize. About 30,000 went off Uncle Sam's payroll between August and October.



It pays to fit Gulf Sales and Staff Engineers into the maintenance picture

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Mills Walls of several different styles are used to advantage by National Cash Register. Shown here are railings used in combination with glazed, ceiling-high partitions. There is no dust, debris or waste when Mills Walls are moved. All parts may be used over and over again.

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National Cash Register mobilizes

its office space—keeps it efficient by making it adaptable to changing requirements—with Mills Movable Metal Walls.

● Office space layouts are subject to frequent changes at The National Cash Register Company since space requirements are affected by many variable factors. To maintain efficiency, entire departments are sometimes moved from floor to floor, or from one area to another on the same floor of a building. Office space is therefore kept *flexible* by the use of *movable* walls. Mills Movable Metal Walls give National Cash Register the space control needed to keep office space efficient. They can be moved quickly, easily, economically—sometimes in a matter of hours, overnight or during a week end—without interrupting normal routine.

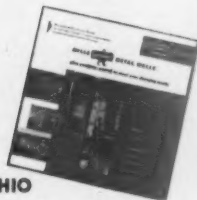


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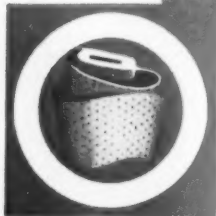
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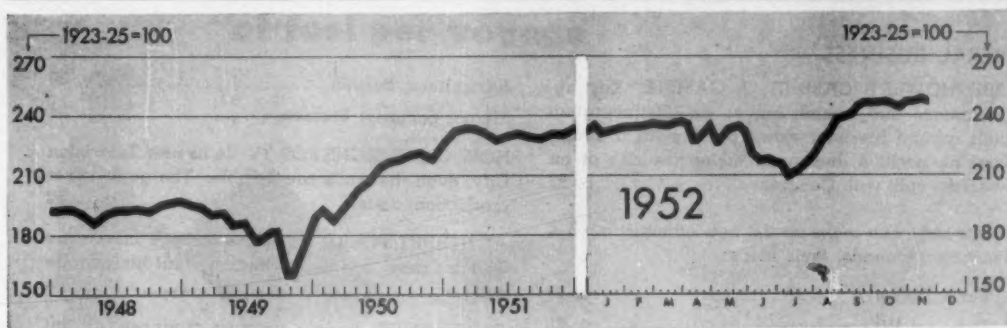
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FIGURES OF THE WEEK



Business Week Index (above) *249.2 †250.9 244.7 232.2 173.1

PRODUCTION

	5 Latest Week	Preceding Week	Month Ago	Year Ago	1946 Average
Steel ingot production (thousands of tons).....	2,191	†2,212	2,229	2,079	1,281
Production of automobiles and trucks.....	129,342	†146,825	144,747	86,313	62,880
Engineering const. awards (Eng. News-Rec. 4-week daily av.) in thousands.....	\$46,951	\$50,161	\$50,504	\$37,045	\$17,083
Electric power output (millions of kilowatt-hours).....	7,971	7,884	7,696	7,157	4,238
Crude oil and condensate production (daily av., thousands of bbls.).....	*6,660	6,622	6,538	5,888	4,751
Bituminous coal production (daily average, thousands of tons).....	1,821	1,800	1,387	2,006	1,745

TRADE

Carloadings: manufactures, misc., and l.c.l. (daily av., thousands of cars).....	78	82	83	77	82
Carloadings: all other (daily av., thousands of cars).....	60	60	57	58	53
Department store sales (change from same week of preceding year).....	None	†-7%	+6%	+2%	+30%
Business failures (Dun and Bradstreet, number).....	167	148	154	149	217

PRICES

Spot commodities, daily index (Moody's Dec. 31, 1931 = 100).....	405.6	408.2	410.2	456.9	311.9
Industrial raw materials, daily index (U. S. BLS, 1947-49 = 100).....	94.9	94.9	93.3	119.3	††73.1
Foodstuffs, daily index (U. S. BLS, 1947-49 = 100).....	85.9	87.0	88.1	96.4	††75.2
Finished steel composite (Iron Age, lb.).....	4.376¢	4.376¢	4.376¢	4.131¢	2.686¢
Scrap steel composite (Iron Age, ton).....	\$42.00	\$42.00	\$42.00	\$42.00	\$20.27
Copper (electrolytic, Connecticut Valley: lb.).....	24.500¢	24.500¢	24.500¢	24.500¢	14.045¢
Wheat (No. 2, hard and dark hard winter, Kansas City, bu.).....	\$2.48	\$2.47	\$2.43	\$2.54	\$1.97
Cotton, daily price (middling, ten designated markets, lb.).....	34.38¢	34.47¢	35.32¢	42.23¢	30.56¢
Wool tops (Boston, lb.).....	\$2.00	\$2.00	\$2.00	\$2.23	\$1.51

FINANCE

90 stocks, price index (Standard & Poor's).....	201.2	198.1	191.0	178.5	135.7
Medium grade corporate bond yield (Baa issues, Moody's).....	3.52%	3.53%	3.55%	3.58%	3.05%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate).....	2½-2½%	2½-2½%	2½-2½%	2½%	2-1½%

BANKING (Millions of dollars)

Demand deposits adjusted, reporting member banks.....	N.A.	53,312	53,216	52,357	††45,210
Total loans and investments, reporting member banks.....	N.A.	76,997	76,937	72,652	††71,147
Commercial and agricultural loans, reporting member banks.....	N.A.	22,727	22,153	20,872	††9,221
U. S. gov't and guaranteed obligations held, reporting member banks.....	N.A.	32,015	32,431	31,524	††49,200
Total federal reserve credit outstanding.....	26,193	25,696	25,867	24,745	23,883

MONTHLY FIGURES OF THE WEEK

	Month	Month	Year Ago	1946 Average	
Cost of Living (U. S. BLS, 1935-39 = 100) Old basis.....	October.....	191.5	191.4	187.8	139.3
Average weekly earnings in manufacturing.....	October.....	\$70.80	\$70.09	\$65.41	\$43.82
Wholesale prices (U. S. BLS, 1947-49 = 100).....	October.....	111.2	111.8	113.7	78.7
Retail sales (seasonally adjusted, in millions).....	October.....	\$14.440	\$13.803	\$13.230	\$8.541

* Preliminary, week ended Nov. 22.
N.A. Not available at press time.

†† Estimate

† Revised.

& Date for "Latest Week" on each series on request.

in BUSINESS this WEEK...

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MORE EISENHOWER RALLY. Stocks gain on a wide front. p. 101

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NEW CHIEF, NEW ERA FOR AFL. More aggressive policies than those Green followed p. 114

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RUBBER CAGES ITS WILDCATS. Union and companies both act to curb plague of quickie walkouts in Akron p. 116

WHY UAW WANTS A FLOOR UNDER PAY. One answer: What's happening to the cost of living. . . . p. 118

AFL SETS NEW ENGLAND TEXTILE DRIVE. Encouraged by successes in South, UTW plans to broaden its drive p. 120

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REGIONAL REPORT:

INCOME CLIMBS 6% OVER 1951. Southern areas still lead the country in gains from a year ago. . . . p. 130

with Sperry Loran "Seatrain" save 40 to 60 barrels of fuel per voyage

*First Mate Owen McCann, Jr.
of the Seatrain Louisiana operating
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describes it as "a great
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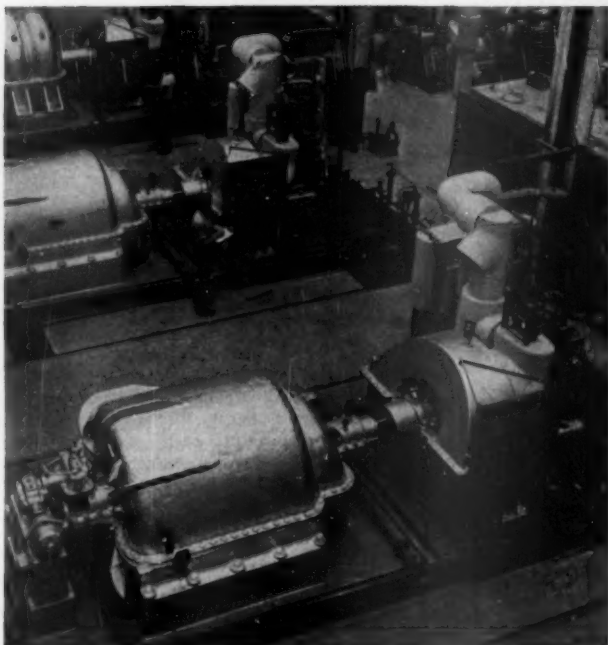
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Turbines in steam power plant of The Andrew Willgoos Turbine Laboratory, Pratt & Whitney Aircraft Division of United Aircraft Corp., East Hartford, Conn. These and other turbines in the Pratt & Whitney Aircraft plant are lubricated with Texaco Regal Oil (R&O).

Here's an outstanding example. Two years ago Pratt & Whitney chose Texaco Regal Oil (R&O) for these turbines (illus.). Since then they have been getting an extra margin of safety, an extra measure of dependable performance. With Texaco Regal Oil (R&O) there has been no sludge, no rust, no foam to interfere with operation.

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Eisenhower's Cabinet: A Gamble

- The key appointments commit him to an administration built around his own views.
- That gives him a strong working position.
- But it means risking an eventual split with Congress.

Dwight Eisenhower's Cabinet appointments may turn out to be the biggest gamble of his career as President.

He has quickly filled the most important Cabinet posts with men who share his own views—foreign and domestic. The key policy-making jobs have all gone to "Eisenhower Republicans."

The Eisenhower Cabinet shapes up as a conservative one—with strong business representation and a dislike for big government. To this extent, it represents the whole of the Republican Party, as the party placed its case before the voters during the campaign.

But none of the crucial positions has gone to anyone who could be described as a personal representative of Sen. Taft—who will be the dominant figure when Congress begins consideration of Eisenhower legislation.

• **Compromise?**—This was the choice Eisenhower had:

• He could have handed some of the really important jobs to Taft men—thereby giving his administration a compromise flavor from the start.

• Or he could go down the line with men of his own stamp—disregarding patronage—and thus risk opposition from Taft and his friends in Congress.

• **Commitment**—It takes a second look at his appointments—and an appreciation of the role of the Cabinet itself—to see how completely Eisenhower has committed himself.

The cabinet doesn't operate like a corporation's board of directors, with one vote to each man. Indeed, the President's own vote always is a majority by itself.

In the tough, real world of 1953-56 four Cabinet jobs—and Eisenhower's choice to fill them—stand out as by far the most crucial:

• **Secretary of State:** John Foster Dulles, of New York. He is acceptable to Taft. But he is not a Taft man. In fact, it has taken some fast footwork by Dulles to stay in Taft's good graces. He has been aligned since World War II

with the eastern, internationalist wing of the party.

• **Defense Secretary:** C. E. Wilson. As president of General Motors, he was a powerful, pre-convention supporter of Eisenhower in Michigan, where Taft fought in vain for backing.

• **Secretary of the Treasury:** George M. Humphrey. Both by tradition, and because of the current load of debt and taxation, this job is one of the most significant. Humphrey is from Taft's home state of Ohio, and is a Taft admirer. But he did not support Taft this year in the primaries, and he was not Taft's choice for the Treasury post.

• **Attorney General:** Herbert Brownell, Jr. For the past 20 years, this job has been coming up fast in Cabinet rank. The increase of regulations over business is one big reason. To Eisenhower, it has particular significance. He will count on his Attorney General to make good on a major campaign promise—to kick crooks and Communists out of government. Brownell is a long-time friend of Gov. Thomas E. Dewey of New York—and as such, is a long-time political foe of Taft.

• **Other Members**—These are the four top Cabinet posts, as far as the Eisenhower administration is concerned.

Gov. Douglas McKay of Oregon—Eisenhower's choice for Secretary of the Interior—is one of the group of western Republican governors who opposed Taft for the nomination.

In Ezra Benson of Utah for Secretary of Agriculture, Eisenhower found a pre-convention Taft supporter—but a man who has not been active in agricultural affairs for eight years. He had never met Eisenhower until the day his selection was announced, and he apparently was not familiar with what Eisenhower had said about price supports during the campaign. But he shares the general's philosophy that there has been too much government in agriculture.

Harold Stassen—often opposed to Taft within the party—got the first of

the key positions just below Cabinet rank. As Mutual Security Administrator, he'll be in the front line of the Eisenhower foreign relations programs as they take form.

• **Sharp Color**—Eisenhower has already put his own, personal stamp on the first Republican administration in 20 years.

And this indicates that the days of uncertainty during the campaign, when Eisenhower at times seemed to be engulfed by contrary floods of advice, are clearly over. He struck hard and swiftly to do exactly what Democrats said during the campaign he could never do—free himself from the isolationist, Midwest wing of the party.

The change is apparent in Eisenhower's Commodore Hotel headquarters in New York. Campaign confusion is gone. Lines of authority now lead directly to Eisenhower.

• **Congress**—The gamble is whether Eisenhower has achieved a unity of viewpoint in his official family at the expense of support in Congress.

When it comes to putting policies into law, Congress is much more important than the Cabinet. The President and his advisers propose—Congress disposes. And Taft will be in a position to call the turn.

Taft's reaction to the Eisenhower selections is that of a man perfectly satisfied with the way things are going. He is not a man to pick lightly a quarrel within his own party. He tells friends that he honestly expects to cooperate with the Eisenhower administration, despite differences of opinion.

But some doubts on Taft's part show up in his renewed willingness to become Senate floor leader. This means he wants to be sure of a place at White House conferences on legislation.

More important is the concern of Eisenhower's own friends. They wonder whether the appointments represent too closely his own views. Ideally, an executive likes to have a devil's advocate around—in Eisenhower's case, to leaven his own conservative views. There's no influence of this kind yet in the Eisenhower official family.

I. State: Dulles

John Foster Dulles, Eisenhower's appointed Secretary of State, is the most controversial of the general's first round



For Sect. of State: JOHN FOSTER DULLES



For Sect. of Defense: CHARLES ERWIN WILSON

of Cabinet appointments. For one thing, he is the only one with a specific record in national affairs; he offers a target, where the others do not. For another, he has been both an ardent supporter and an outspoken critic of President Truman's foreign policies.

But two things are plain: First, no other Republican even approaches his long experience in foreign affairs and his proven skill as an international negotiator. Second, he is Eisenhower's best bet to hold the party together on foreign policy.

He sees his new job as getting the U.S. out of what he terms the "negative" Truman policy of containment of Russia. He wants to take the initiative, by waging psychological war, and by a series of stern warnings to Russia that the U.S. will retaliate against further encroachment on free people anywhere.

• **Background**—Dulles is 64, and his career in foreign affairs began in 1907, when his grandfather—Secretary of State in the Harrison Cabinet—took him to the Hague Conference as a secretary. President Wilson sent him to Paris in 1919 as a member of the U.S. delegation to the World War I Peace Conference.

Between wars, he became senior partner in the international law firm of Sullivan & Cromwell—reputedly earning the biggest income of any attorney in the country.

He began to assume his present leadership in the Republican Party during Gov. Thomas E. Dewey's 1944 campaign for President. Typically, he came to Washington to be sure that plans for the United Nations did not become a partisan issue.

He was a member of the U.S. delegation at the birth of the United Nations in San Francisco, and was active in its work for years. He capped his bipartisan service by negotiating the Japanese peace treaty. Truman made him Ambassador at Large to do the job. During this period, he defended the Korean war as necessary to our security, and credited the Truman-Acheson containment policy with having saved the country from great peril.

• **Campaign**—Last spring he found himself aligned with the Dewey wing of the party, but under some suspicion from Taft adherents. In a series of personal meetings with Taft, he convinced the Ohioan that he was the man to write the foreign policy plank of the Republican platform. The result pleased Taft—and did much to bring the quarreling factions together after the convention.

II. Defense: Wilson

At the age of 62, Charles Erwin Wilson is heading for an altogether new experience. Right now, he's president of General Motors Corp. Next year he'll be U.S. Secretary of Defense. Gen. Lucius D. Clay, chairman of Continental Can Co., brought him and Eisenhower together about 10 days before the appointment was announced.

This is Wilson's first political appointment of any kind. He has never held even an honorary public office. His world has revolved entirely around engineering and business.

That may make it hard on him when he gets to Washington. As to most businessmen, a problem to Wilson is

something to study and analyze, then solve by the most logical method. He has been used to making forthright decisions. In politics, though, most things are done by a series of compromises—not always on the basis of cold logic. At least during his first few months in Washington, Wilson may find that his new job upsets the habits of a lifetime.

• **With the Wind**—Still, people who know him figure he'll catch on quickly. They point to his dealings with labor after he moved into the presidency of GM. At first, Wilson thought a labor contract should be observed as meticulously as any other business agreement. He was intolerant of deviations from the letter of the contract, couldn't understand why there should be any. Later, he realized that a labor contract is more frequently a starting point for disagreements than an ending of them.

He's flexible, too, at the early stages of a decision. He listens to subordinates, gathers opinions widely, weighs all issues carefully. But once he makes his decision, it sticks.

• **The Job**—Wilson's task in Washington wouldn't be easy for anyone—no matter how diplomatic. He'll have to explain the military budget to Congress, unify the squabbling and mutually jealous armed services, find a solution to the shortage of military manpower, run an unpopular war in Korea.

How will he go about it? To trim the military budget, he says, "I'll stress coordination and cooperation."

On service unification, he says: "General Motors does not run a centralized operation. Only its policies are centralized. We then break the job into



For Sect. of Treasury: **GEORGE M. HUMPHREY**



For Attorney General: **HERBERT BROWNELL**

pieces, giving authority far down the line."

- **The Man**—Wilson stands average height, is slightly heavier than average. He wears quiet grey suits, talks quietly and slowly—often pausing so long between sentences that his listeners aren't sure when he's finished.

He often gets so wrapped up in his thoughts that he walks by friends without recognizing them. People who deal with him get the impression that he is slow to fix names and faces in his memory. He often lets himself be introduced to the same man several times without mentioning previous meetings.

- **Philosophy**—Here are some major points in Wilson's economic and political thinking:

- The work week can't be shortened below 40 hours. In times when all-out production is necessary, the standard week should be 45 hours.

- The U.S. must live within its means. We're already deeply in debt, and "we can't afford a second mortgage to buy luxuries."

- Foreign aid must be so arranged that the beneficiary nations can pay the U.S. back, in time, out of production.

III. Treasury: Humphrey

The next Secretary of the Treasury, George Magoffin Humphrey, has never held nor sought political office in his 62 years of life. As president of M. A. Hanna Co., Humphrey's interests up to now have been concentrated on the company's Ohio coal reserves and mines, its iron ore holdings in the Lake Superior area, operating a fleet of lake

vessels, and in piloting Hanna's business mergers.

Humphrey is keenly aware that he is facing a new experience in being fiscal officer for a deficit-financing outfit, rather than heading an operation that has been profitable for the 23 years he has headed it. But Humphrey has long been a strong influence in heavy-thinking GOP circles in Ohio. While he has always been a staunch Taft supporter, his appointment was instigated by Paul Hoffman.

Humphrey's political thinking is pretty much that of the conservative, successful businessman of the Midwest—which makes him a stranger to deficit spending. Certainly, he is hard-headed on the subject of a balanced budget. Humphrey doesn't have much use for arguments fostering cradle-to-grave planning.

- **Impact**—While he won't utter a word now on government fiscal problems or interest rates, the coming of a cautious, conservative type like George Humphrey to the Treasury would seem to foreshadow two significant shifts in debt policy:

- Less reliance on Federal Reserve support of government security prices and more emphasis on attractive pricing to sell government bonds.

- An effort to put a good part of the short-term federal debt into longer maturities.

- **Less Charity**—Humphrey is far from being the 50-year-ago version of the isolationist, but on the other hand, he is not a give-awayer.

From 1948 to 1949 he was chairman of ECA's industrial advisory committee. But his associates say he has always

snorted at the idea of buying friendship.

Humphrey's background points up his ability for organizing to get things done, rather than to dream up theories.

IV. Justice: Brownell

Politics, patronage, and corruption have a way of getting scrambled together. Herbert Brownell's job as Eisenhower's Attorney General will be to deal with all three—and, at the same time, to unscramble them.

- **Tall Order**—Brownell, a New York lawyer and long-time associate of Thomas E. Dewey, came out of the Eisenhower campaign as top political strategist and top adviser to the general on patronage. There's no sign that he will give up either role as a member of the Cabinet. He'll just add the third job—cleaning crooks out of the federal government.

This was a favorite campaign issue with Eisenhower. So it puts Brownell in a role where he just about has to deliver. He started by asking J. Edgar Hoover to stay on in the Justice Dept. as head of the Federal Bureau of Investigation.

- **Program**—First, he'll have to decide what to do about prosecuting a long list of Democrats already involved in scandals—most of them connected with tax collecting.

He'll also have the job of exploring Democratic records to haul other suspects into the open—an expedition that Republicans in Congress confidently think will result in a rich haul.

When he picks up the Communists-in-government part of his job, he'll try to pacify Sen. McCarthy, as



For Sect. of Interior: DOUGLAS MCKAY



For Sect. of Agriculture: EZRA TAFT BENSON

well as turn up a respectable number of suspects. McCarthy may turn out to be a major problem. The Wisconsin senator will be chairman of the Committee on Governmental Operations—which gives him a key role in Congress when it comes to smoking out Communists. He has long demanded that the Executive Dept. release its files on any employee he has reason to suspect. Brownell will have the job of giving Eisenhower a legal opinion on whether Congress has the right to look at such material.

• **Glass House**—Democrats will be watching Brownell with an equally sharp eye. In particular, they'll want to know if he aggressively picks up the prosecution of antitrust cases now in the courts (page 34), or nearing trial.

• **History**—The 48-year-old Brownell entered politics as an unsuccessful candidate for the New York Assembly in 1931—with Thomas E. Dewey as his campaign manager. He managed Dewey's winning campaign for governor in 1942, was a key man in Dewey's successful drive for the Republican nomination for President in 1944, and again in 1948. He was in the Eisenhower ranks early, and became the chief field strategist at the Chicago convention.

When Brownell isn't in politics, he's a lawyer. He was admitted to the New York Bar in 1927, has been with the law firm of Lord, Day & Lord since 1929.

V. Interior: McKay

The Secretary of the Interior, as Washington officially sees him, is supposed to take care of "the management,

conservation, and development of the natural resources of the United States."

In addition to his concern with forests and rivers, he also has under his wing such war-slanted bureaus as the Defense Minerals Administration and the Petroleum Administration for Defense. For this job, President-elect Eisenhower has picked Oregon's slight, fast-moving Governor Douglas McKay, 59.

• **Reaction**—Oregon businessmen who know McKay view his appointment with mixed feelings. They know him as a man of ironbound integrity; they think he has run his state government in a wise and businesslike way; and they agree with most of his political and economic views. But some of them are afraid he may be stepping into a job that's too big for him. Says one: "It's hard to see honest, forthright, platitudinous little Doug sitting in a spot like that."

• **Platform**—McKay is a vigorous opponent of federal domination in power and resource development. He'd like to see private industry take over wherever possible, but he recognizes that some jobs—giant dams, for instance—are too big for private enterprise to handle alone. Where government does step in, he'd like to see federal-state cooperation rather than federal domination. Like Eisenhower, he favors state ownership of tidelands oil.

His attitude toward private enterprise comes partly from the fact that he's a businessman himself. He holds a Chevrolet-Cadillac dealership at Salem, Ore.

• **Problems**—When McKay steps into his Washington office next year, he'll find knotty problems awaiting him:

• Eisenhower has promised to do some budget cutting.

• He'll also have to decide how to get electric power to customers from government-owned power projects. Should the government build transmission lines, or should private companies do the carrying?

• Should the federal government take on power development of Niagara Falls, or should the job be left to state governments or private initiative?

• Should the controversial \$360-million Hells Canyon power project in Idaho be built by the federal government?

VI. Agriculture: Benson

Ezra Taft Benson (a 32nd cousin of Sen. Robert Taft) is the first man on Taft's suggestion list to be picked by Eisenhower for his Cabinet.

Benson's appointment as Secretary of Agriculture comes as a surprise to most observers—including Benson himself. From 1939 to 1944, he was spokesman and lobbyist in Washington for the National Council of Farmer Cooperatives. After that, he disappeared from the national limelight, went home to Utah and devoted himself almost exclusively to the Mormon Church in which he is a member of the Council of Twelve Apostles, the church's governing body. He has turned down jobs paying several times the reputed \$5,000 he draws from the church. He had never met Eisenhower until Monday of this week.

To the rank and file of farmers and to the top agriculture and party leaders alike, he's an unknown. Asked for



For foreign aid: **HAROLD STASSEN**



For White House staff: **SHERMAN ADAMS**

a comment on his appointment, a Utah Democratic party leader said, "Hell, I didn't even know he was a Republican."

• **Qualifications**—Still, Benson has had plenty of experience with agriculture. He was born on a farm, could drive a team of horses by the time he was five. He studied scientific farming by correspondence, later went to Utah State Agricultural College, finally got a master's degree in agricultural economics from Iowa State College in 1927.

He worked on various local and state agricultural committees, then in 1939 went to Washington as executive secretary on NCFC. President Roosevelt appointed him to the National Agricultural Advisory Commission during the war.

After 1944 Benson served sporadically with several other farming groups, but his name was rarely heard outside of Utah.

• **Ideas**—He talks the same language as Eisenhower on at least one subject: Like the President-elect, he thinks there has been too much government in agriculture. "At times," he says, "it becomes necessary for governments to assume broad powers. But the people have the responsibility to take away such powers when the need—such as a depression or war—has ceased to exist."

This feeling doesn't extend to price supports, which he favors in principle. He's not sure at what level the government should back up farm prices, but he feels that some kind of support is necessary.

• **Portrait**—Personally, Benson is quiet, modest, and unassuming. Yet his

church associates are full of praise for his ability to get things done. Says one: "He can delegate authority so that he doesn't have to be consulted every time someone wants to sneeze—yet he knows what's going on around him. He works a staff harder than most anyone in the church, yet his office is the favorite of church office help. He's something of a trail blazer in some church activities, yet he has the respect of even the most conservative church officials."

VII. Mutual Security: Stassen

It's a surprise to most people to learn that Harold E. Stassen is only 45 years old. He has been a candidate for the Presidential nomination three times, and was a national figure before that as governor of Minnesota. That makes him the youngest elder statesman in the Republican Party.

Much of his political career has been spent expressing a liberal Republican point of view, and urging the party to greater efforts in the international field. It's the second of these themes that will take him into the Eisenhower administration as director of the Mutual Security Administration.

• **The Way Up**—As his interest in international affairs has grown in recent years, Stassen has become more orthodox in his domestic economic views. He ran for the nomination this year on a platform that advocated a return to the gold standard, lower taxes, and economy in government.

Stassen joined the Eisenhower campaign after the convention merely as a defeated candidate, who threw the win-

ner some last-minute help. But since then, he has climbed steadily in the general's esteem.

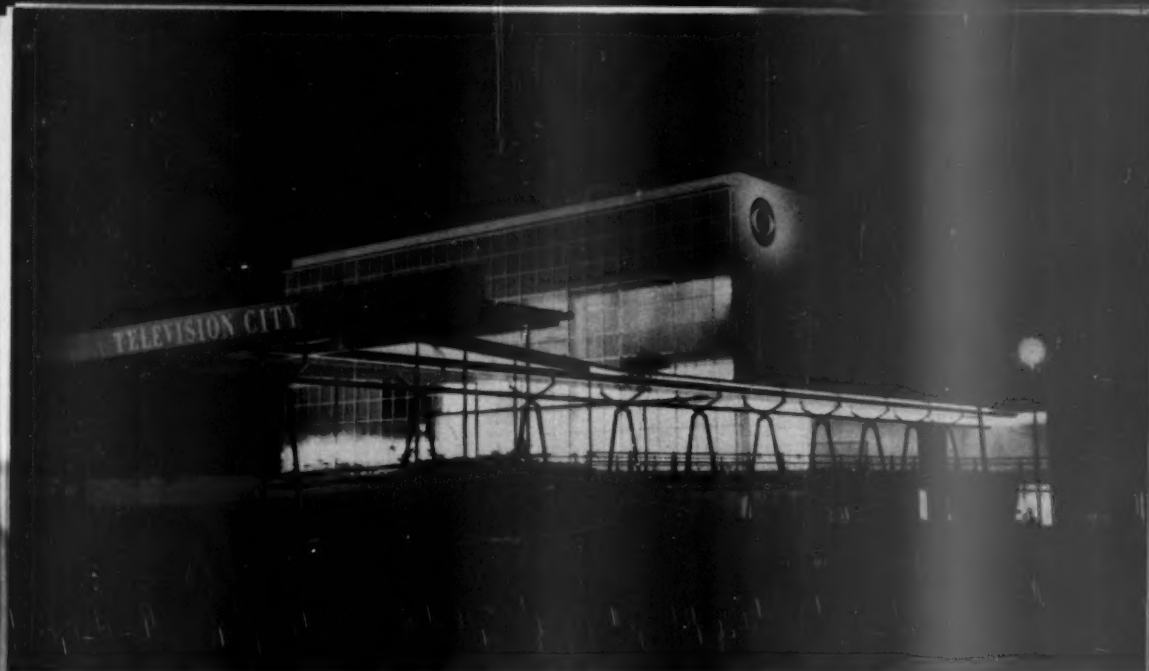
If MSA should become a permanent agency, Stassen will be in the thick of such problems as tariff rates, foreign investment, and commodity buying policies in foreign countries. He would be given the job of trying to close the dollar gap at a high level of trade without continuing foreign economic aid.

VIII. And More . . .

At midweek further appointments were being made daily. The last Cabinet appointment before BW went to press put Arthur Summerfield, chairman of the GOP national committee into the Postmaster Generalship. As the largest Chevrolet dealer in the country, he becomes (with McKay and Wilson) the third General Motors man in the Cabinet.

Gov. Sherman Adams, of New Hampshire, next year will become more or less the executive secretary of the White House. This will include his acting as the "John Steelman"—that is, chief adviser to the President—but additionally he may well reorganize the secretariat to provide a channeled reporting system, with himself as the most intimate contact with the President.

Other appointments: Oveta Culp Hobby, Texas Democrat for Eisenhower, wartime head of the WAC, and publisher of the Houston Post, as Federal Security Administrator. Mrs. Ivy Priest of Utah, director of women's activities on the GOP national committee, as Treasurer of the U.S.



TELEVISION CITY, just opened by CBS in Hollywood, is keyed to expansion. Only one wall is permanent—it's on the property line. In any other direction, including up, the whole setup is

designed for expansion. First unit, shown here, has 375,000 sq. ft.; eventual plans call for 2.5-million sq. ft. Everything is flexible, even the studios can be expanded at will.



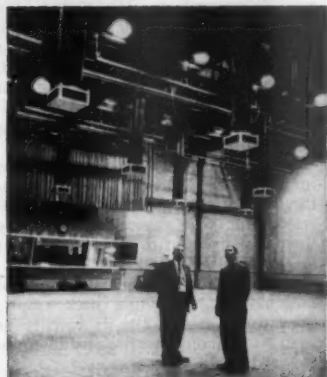
MULTIPLE SETS in each studio help to speed production and, above all, to cut costs. High and rising production expenses are the ogre in the TV forest. CBS' new home has tried to cut every

possible corner. Its efficiency and flexibility allow the City's four studios to turn out 28 hours of entertainment a week. That's half of what the 18 CBS studios in New York can do.

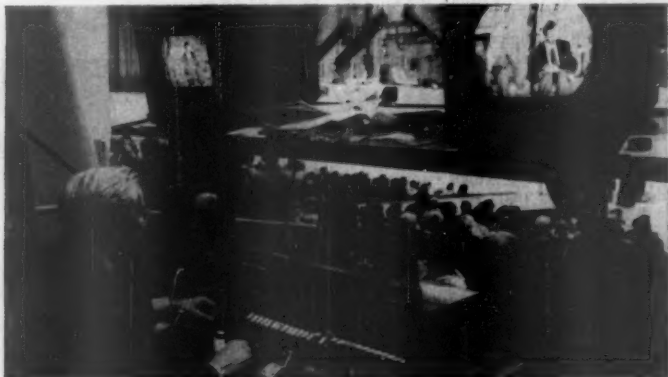


FOUR BIG STUDIOS are the heart of Television City. Two of them have sets for an audience, sunk partly below stage level and surrounded by equipment. Idea is to keep audience eyes on

the show and not on the gadgets. That's because many actors depend on crowd reaction for timing; they're sunk if the audience is gawking at cameras, lights, and technicians.



AIR CONDITIONING, via retractable ducts, brings cool air to centers of the hot-test lighting, no matter where.



AUDIO CONSOLES in the control room of each studio can handle 11 microphones at once through a fantastically large board of electrical relays. The control booths are semi-movable and can be relocated if the studios are enlarged.

How CBS Designs for TV

Even Hollywood never saw the likes of the CBS Television City that opened there last week. Neither did CBS. The architects are still trying to teach the TV producers and technicians how to handle their wonderful and often experimental new assortment of gadgets.

Keeping down production costs is the be-all and end-all if TV is to realize its

potentialities. That's why the City is strictly functional, bare of decoration and almost of furniture—but with every conceivable practical tool of the TV trade.

CBS has just moved into the first unit of the City, 375,000 sq. ft. with four studios. Eventually, it's expected to expand to 2.5-million sq. ft.

Some of the trickiest feats of design by architects William L. Pereira and Charles Luckman were in arranging flow so that business visitors wouldn't interfere with actors, and just plain visitors wouldn't get in anybody's hair. The stars—chief prey of pests—can drive right into the building and be whisked to their dressing rooms and the studios.

Antitrust Policy

Eisenhower will inherit du Pont case, just opened in Chicago. Business wonders what attitude will be.

Last week, in a crowded Chicago courtroom, the assembled heads of the great du Pont clan heard a booming voice describe them as "arrogant and ruthless but subtle and persuasive." The voice was that of Wilks L. Hotchkiss, federal prosecutor who was opening the government's antitrust case against the du Ponts.

Even the oldest du Ponts, like 82-year-old Pierre, had no trouble hearing as Hotchkiss, in a three and a half hour opening, roared out the government's case. The main charge: that the du Pont company, three holding companies, and 117 individual du Ponts have exerted a monopolistic control over General Motors and U. S. Rubber Co.

• **Split Up**—In effect, the government is asking Federal Judge Walter J. La Buy to order E. I. du Pont de Nemours & Co. and the du Pont family to get rid of their 10-million shares of GM stock (about 22%), and their 18% of U. S. Rubber stock. The state claims that the du Ponts in effect control all the companies to create a closed and captive market for their products.

The du Pont defense, as presented in the trial brief, is that the charges are not true; that the government is attacking them simply because of their "bigness," as such. What's more, the du Ponts say that the government will be able to present no positive proof of Sherman Act violations, but is merely drawing unsupported inferences.

The defense has marshalled an army of 33 lawyers in Chicago, representing the various companies and individuals. The smallest courtroom is crowded, but not all the du Ponts will ever be present at one time—59 of the accused are children. Clan leaders will appear only as they are needed. Still, defense and defendant have taken 46 rooms in the Palmer House for offices, with another 23 for living quarters. Seventeen more rooms have been reserved just in case.

• **What Next?**—How long the case will last depends on a lot of things, including the rulings of Judge La Buy on assorted points of evidence. The judge could shorten it well beyond the expected eight months to a year. Partly, it depends on the attitude of the Eisenhower administration toward antitrust prosecutions. It will be some time

before businessmen will know just what the new President intends to do about the legacy of anti-big-business cases being left him by President Truman's trust busters.

The du Pont trial illustrates strikingly how Sherman Act cases can bridge over from one administration to another. The case was brought to a head just prior to the 1948 Presidential election.

Then it was widely expected that a Dewey regime was in prospect, so the Democrats were preparing a handful of big split-up cases to leave as a legacy for the Republicans.

Actually, the case wasn't filed until after Truman won his surprise victory. It is just now coming to trial—a going-away present from the Democratic antitrusters to their Eisenhower-appointed successors.

Other big-business cases that are usually linked with the du Pont-GM-U. S. Rubber case include the case to break up the Big Four meat packers into a number of smaller firms; the case to split Western Electric into three firms divorced from American Telephone and Telegraph; and the case to split up A&P into seven regional chains.

All these cases are in the pre-trial stage of legal maneuvering. None will be heard for months—and some may never be heard.



New President for GM

Harlow H. Curtice, executive vice-president of General Motors for the past four years (BW—Sep. 25/48, p. 6), will step into GM president Charles E. Wilson's shoes when Wilson takes over his new job of Secretary of Defense (page 29). Curtice, now 59, was president of Buick Motor Division prior to his appointment as vice-president of GM.

Olin's Debut...

... as an aluminum producer will put a fifth company in the industry—once problems are settled.

Olin Industries, Inc., newest entry into the U. S. aluminum industry, has just about settled on a site for its \$170-million plant. For several reasons, it looks as though it will build on the Monongahela River, in the Morgantown area of West Virginia.

Olin's debut as the fifth producer of primary aluminum became official last week when the Defense Production Administration granted the company fast tax writeoffs to cover (1) 85% of a proposed \$123-million primary aluminum plant and (2) 50% of a \$45.5-million rolling mill. Plant and fabricating facilities will turn out 110,000 tons of aluminum ingot a year, roll about 40,000 tons of wide, high-strength aluminum sheet and over 12,000 tons of aluminum extrusions—to help meet the government's third-round expansion goals for the industry.

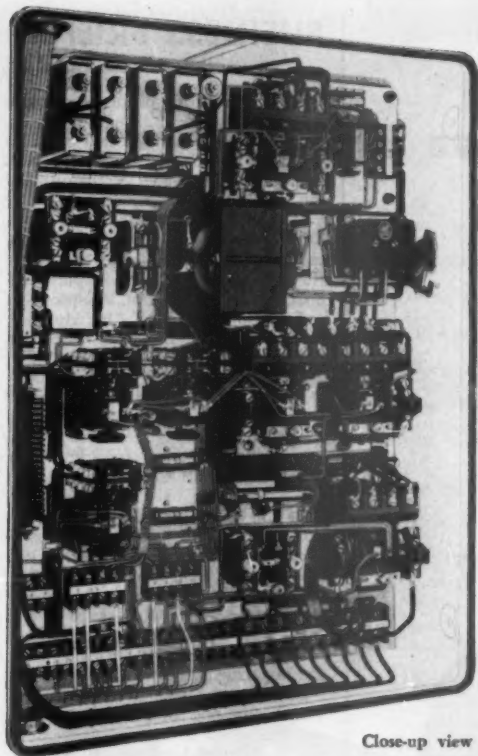
• **Start to Finish**—Officially, the tax certificates mention only a primary plant and rolling mill. That raises an important question: Where will Olin get its alumina, the intermediate product used to make aluminum? Olin is not ready to answer that question yet, but informed sources are betting that the company will use part of the \$123-million to build its own plant to process bauxite into alumina.

This would give Olin a good reason for picking the Morgantown site. It is in the heart of the coal country. Coal operators for years have been shipping their coal by train over the mountains to Norfolk.

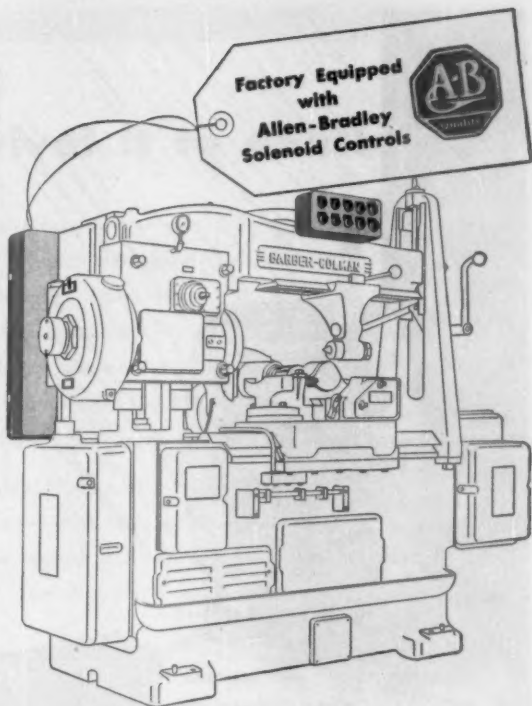
For just as many years these coal cars have been coming back empty. Olin could easily ship its bauxite in from Norfolk on these back-hauls—probably at bargain rates.

• **Power Plant**—Obviously, it will take a lot of power—an estimated 240,000-kw. of capacity—to turn out 110,000 tons of aluminum a year. Olin is reported to be dickering with Pittsburgh Consolidation Coal Co. over plans to construct a steam power plant in the area.

Pitt has coal properties there. The scheme the two companies are talking about is to run the coal through a low-temperature carbonization process (BW—Dec. 15/51, p. 84). That way Pitt would get the tars to use in making coal chemicals. Olin, in turn, would get relatively high-grade and fairly cheap fuel to use in its steam generating plant.



Close-up view showing Allen-Bradley controls.



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BUSINESS BRIEFS

U. S. Steel's board of directors made five top-management changes this week. Clifford F. Hood was elected president to replace Benjamin Fairless on Jan. 1. Fairless will continue as chairman of the board and chief executive officer of the corporation. Other electees: R. C. Tyson, vice-chairman of the finance committee and member of the board; H. B. Jordan, executive vice-president-operations; H. E. Isham, vice-president and treasurer; and W. F. Munford, president of U. S. Steel's American Steel & Wire Div.

Domestic air cargo will double present ton-mile volume by 1954 and quintuple it by 1960, reaching well over 1.5-billion ton-miles a year, according to a Lockheed Aircraft Corp. report.

Gulf Oil Corp. and B. F. Goodrich have joined hands to form a new company—Goodrich-Gulf Chemicals, Inc. The jointly owned company, headquartered in Pittsburgh, will study projects in petrochemicals, a field in which both parent companies already have strong interests. It is buying a plant site in Orange, Tex.

Texas' crippling drought (page 142) was finally broken by a heavy four-day rain that started last weekend. It came too late to do much for 1952 farm income, but it brightened 1953 prospects both for cattlemen and wheat growers. And it brought relief to the rest of the Midwest winter wheat belt.

AT&T's Long Lines Dept. is joining the exodus from overcrowded New York City. Early in 1954 it will transfer its eastern-area headquarters to White Plains in neighboring Westchester County. It is the seventh large company to withdraw to the less-congested suburbs (BW—Nov. 22 '52, p. 189).

Alcoa's new smelting plant at Rockdale, Tex., began partial production this week. It's the industry's first plant to use lignite for power, instead of water or natural gas. It will contribute 170-million lb. of primary aluminum annually to the domestic supply when it goes into full production next year.

Boston wool dealers are lining up their ammunition to start an advertising war with synthetic wool makers. A group inside the Boston Wool Trade Assn. wants to slap a 4¢-a-pound levy on the wool its members handle to raise a \$1.5-million counterattack fund. Wool dealers feel that the heavy promotion of acrylic textile fibres may bite a big slice out of the natural fiber's market.

We tried to swivel it to death!

After nearly a year's intensive experimental work, Sturgis engineers developed a nylon thrust bearing and then promptly tried to swivel it to death. But it wouldn't even say uncle. After being subjected to 1,555,200 swivel turns under a 248-lb. load it emerged essentially unscathed. (It lost .004 of material.) Two different conventional metal bearings were given simultaneous tests and disintegrated after 303,840 and 381,600 turns respectively. Naturally the nylon bearing is now standard on all Sturgis swivel chairs.

Why such a big fuss about such a little thing? Simply because no part of a swivel chair takes so much punishment as the thrust bearing. And here is a thrust bearing that for all practical purposes is indestructible.



Sturgis chairs are engineered for keeps

You can't see all the quality engineered into a Sturgis chair but it's there in full measure—and because it's there a Sturgis chair is a long term investment in office comfort and efficiency. Today the finest executive, secretarial, clerical, guest and institutional metal chairs are being produced by The Sturgis Posture Chair Company, Sturgis, Michigan.





EVER HEAR THE ONE ABOUT PAT AND MIKE?

"'Morning, Mike, you old goat!"

"That's what I used to get from Pat every morning. It's just his way of talking. Why, I remember the day I got promoted and all the boys were congratulating me. Pat just said, 'Mike, a foreman is only a good mechanic with his brains knocked out.'"

"I sure missed that kind of talk after they carried Pat out of here five months ago. He fell twenty feet and broke both his arms so bad we didn't think he'd ever work again. I was mighty upset about it, and not just because he's a friend of mine. He's the best man I have in the shop. It would take me a year to train a new man to do Pat's kind of work."

"Well, sir, Pat fooled us. After he got out of the hospital, they took him to the Liberty Mutual Rehabilitation Center. Gave him a lot of treatment and exercises and training, and pretty

soon his arms began to come back. And that's why I'm feeling so good today. After five months I just heard the old greeting once more . . . and I loved it:

"'Morning, Mike, you old goat!"

Everybody gains when a man like Pat is helped to return to work. For the employer, the rehabilitation of an experienced man helps production and boosts employee

morale. The injured man and his family gain most of all when he returns to normal living and earning.

Rehabilitation is just one phase of Liberty Mutual's Humanics program, which combines all activities for preventing accidents, and for reducing disability and loss when accidents occur. It also includes Industrial Engineering and Hygiene, and outstanding Claims Medical Service.

A booklet, "Humanics," explains how the program has helped other employers reduce loss in all forms, including the cost of Workmen's Compensation Insurance. Your free copy can be obtained from any Liberty Mutual office. Just look in your Telephone Directory for the address of the one nearest you, or write to Liberty Mutual Insurance Company, 175 Berkeley St., Boston 17, Massachusetts.



We work to keep you safe

★ Better Compensation Insurance Protection at Lower Cost through HUMANICS ★



WASHINGTON OUTLOOK

WASHINGTON
BUREAU
NOV. 29, 1952

A BUSINESS WEEK

SERVICE

Take a fresh look at the business implications of Korea. What happens will be a key factor in shaping 1953 prospects. And this is the crucial time. The outgoing Truman Administration is pushing hard for a truce, working through the U.N. And the incoming Eisenhower team will soon be back from the fighting front with firsthand ideas of what the Western nations must do if the Reds hold out.

There's no sure way of telling how it will go. In the end, the decision for peace or more war is up to Russia. But in making your business and personal plans for next year, keep these alternatives in mind:

A truce will make the predicted business slide almost certain. It won't alter our rearmament plans materially. We will go ahead, building up here and abroad. But the argument of urgency will become even less persuasive. So buyers, unworried by shortages, will go slow. This will test price levels and markets. The dip might be earlier and deeper than expected.

Failure of cease-fire efforts could be a stimulant. The only conclusion then would be that it will take harder fighting to break the stalemate. And that would call for more men and more guns. It wouldn't necessarily mean an expansion in over-all goals. But it would involve a stepup in the pace—drafting more men and shortening production schedules. It's doubtful that this would be enough to bring on a new surge of inflation. The more likely result: a firmer business tone, with a delay in the expected dip.

Eisenhower's Cabinet will bring a fresh attitude to Washington (page 27). The men are high grade, selected with less than usual concern over political debts. They are long on business experience—practical, not theorists. They are in a position to be impartial—put national interest above special interests. There's some muttering, of course, from factions and individuals who feel they have been neglected. That's normal. But comments a week after the names have been made public are more important than the first-blush reactions. They show less prejudice and more feeling of what's ahead.

Eisenhower sees defense as a production job. That's why he selected Wilson of General Motors as top man in this field. There's some politics in it, too. Wilson has long backed Eisenhower for President. But that doesn't detract from the fact that Eisenhower has picked the head of the nation's largest manufacturing company to head the government's biggest business—Defense.

Dulles will bring more flexibility to foreign policy. As Secretary of State, he will support containment of Russia. But he isn't tied tight to the Acheson policy of pushing back only at the points where Russia pushes out.

He advocates freedom to "counter-attack" where desirable. This is risky. He could underestimate Russia. But it's a change from purely defensive diplomacy.

The cleanup of corruption is Brownell's job. He's a Dewey man. He's also a tough-minded lawyer-politician. Some big Democratic names probably will come to trial as examples to help raise confidence in government.

The Treasury will be under a businessman, George Humphrey. He will cooperate with the Federal Reserve Board to hold down any inflation resulting from government financing. And on taxes, friends say, he knows

WASHINGTON OUTLOOK (Continued)

WASHINGTON
BUREAU
NOV. 29, 1952

the importance of depletion allowances to develop resources and encourage industry to keep its plant big enough and new enough.

There will be less bias against private power under McKay. The Oregon governor who will serve as Secretary of the Interior is an ardent advocate of the development of resources. But he's for letting private capital develop electric power where possible. That's a change from New and Fair Deal attitudes, which held in effect that the electric power industry should be a government industry.

Farm co-ops have something of an inside track. Secretary of Agriculture Benson has been active in their development. He will oppose taxing them as businesses. But he will also oppose any subsidy schemes of the Brannan Plan type.

The White House will be reorganized under Gov. Sherman Adams. Adams won't be another Steelman, a trouble-shooter. He will be a key man, a sort of chief of staff, working between Eisenhower and the departments.

The economic end of foreign policy will be in the hands of Stassen. As boss of the Mutual Security Administration, the ex-Minnesota governor will tie economic support in with arms aid for Western Europe. You may get a brand-new economic-arms aid setup before 1953 is over.

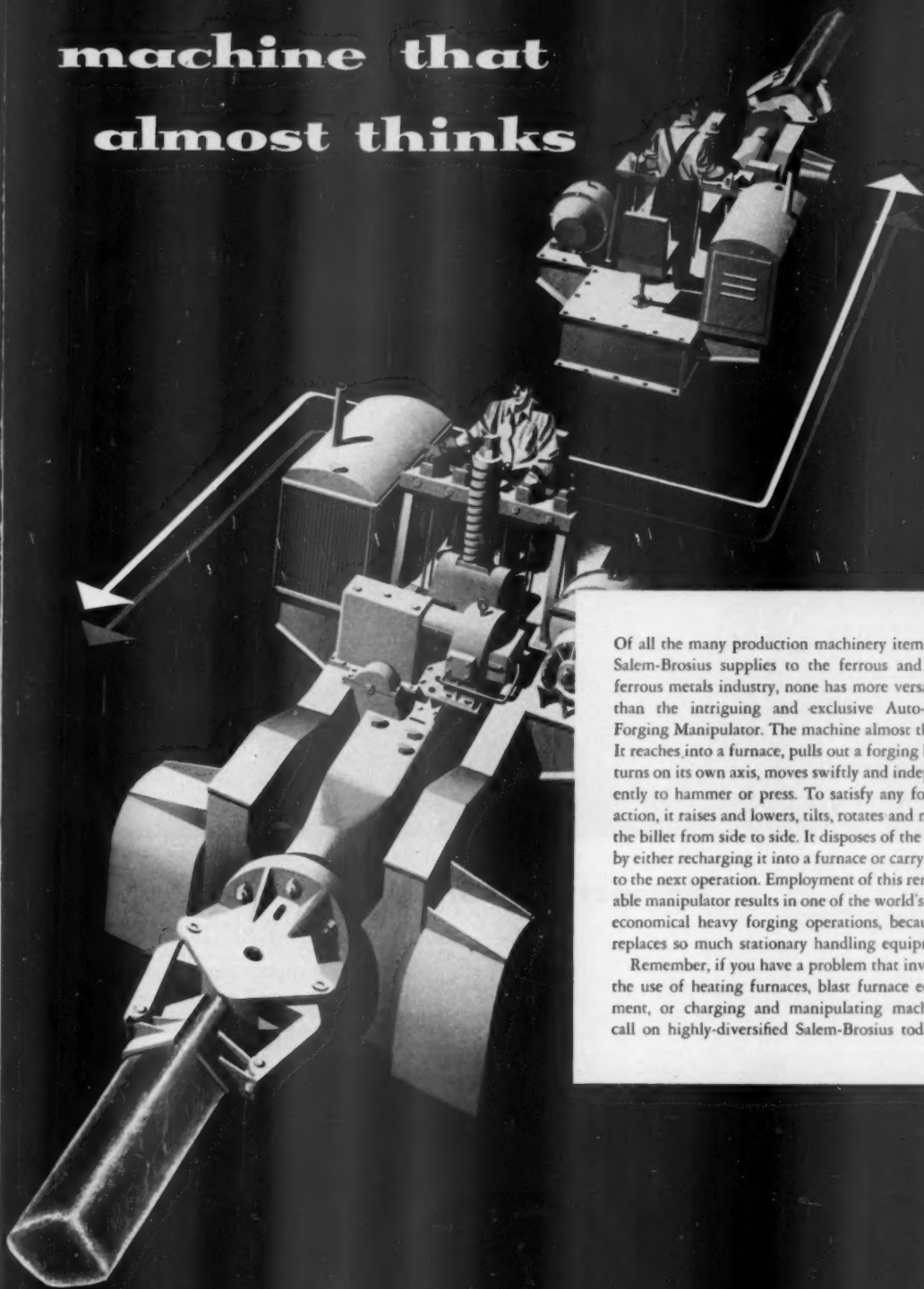
This looks more and more like a conservative administration. Eisenhower himself leans in that direction. So do his top staffers. This doesn't mean a wholesale discarding of what has been done under the New and Fair Deals. The statutes of the past 20 years will be retained—such things as the minimum wage law, the policy of farm price supports, social security. But the administration will be different. You will notice it in many ways, but primarily in the Eisenhower policy of favoring what's best for the nation as a whole, not just the big voting blocs.

The aim is to bring Congress in early on his plans. With a majority of only seven in the House and one in the Senate, Eisenhower can't gamble. He knows that unless he is friendly, Congress can and will make the going tough. The Democratic support he gets at the start will last only until the Democrats can make political hay by fighting him.

Taft doesn't have a knife out for Eisenhower, so discount the reports. There may be trouble eventually, but an early split doesn't seem likely. The stories are put out by opponents of either Eisenhower or Taft or both.

The Democrats are shaping their opposition strategy. The northern wing, dominant under Roosevelt and Truman, wants to continue to make a New-Fair Deal record. But with the White House held by the GOP, the southern wing is actually in control. So the party record in Congress will be determined by southern conservatives. And when you talk with them, you get the impression they would like the Republicans to hang on until the South can tighten its hold on the Democratic reins. The result of this struggle may well give Eisenhower an edge in Congress beyond the strength of his own thin party margins.

machine that almost thinks



Of all the many production machinery items that Salem-Brosius supplies to the ferrous and non-ferrous metals industry, none has more versatility than the intriguing and exclusive Auto-Floor Forging Manipulator. The machine almost thinks. It reaches into a furnace, pulls out a forging billet, turns on its own axis, moves swiftly and independently to hammer or press. To satisfy any forging action, it raises and lowers, tilts, rotates and moves the billet from side to side. It disposes of the piece by either recharging it into a furnace or carrying it to the next operation. Employment of this remarkable manipulator results in one of the world's most economical heavy forging operations, because it replaces so much stationary handling equipment.

Remember, if you have a problem that involves the use of heating furnaces, blast furnace equipment, or charging and manipulating machines, call on highly-diversified Salem-Brosius today.

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Attract Customers BLOCKS AWAY

When you advertise your name or your product with a PLEXIGLAS sign, you command the attention of customers blocks away. Day or night, near or far, signs made of this acrylic plastic are as legible as they are attractive.

In daytime the message of a PLEXIGLAS sign is read easily, because there are no exterior lighting sources to detract from colors chosen for maximum visibility. At night, interior lighting turns the entire translucent face into a luminous, glarefree reproduction of the sign's daytime appearance.

Note the signs shown above. They illustrate the flexibility in sign design possible with readily-formed PLEXIGLAS. You can have three dimensional trademark reproductions, large free standing letters, evenly diffused luminous backgrounds, or distinctive dealer identification.

PLEXIGLAS signs give you long service with low maintenance costs. This outdoor plastic, resistant to weather and breakage, is available in lasting colors, or decorative coatings can be applied to the unexposed surface of clear material. In addition, a sign's lighting components are not only concealed, they are protected from harm.

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MARKETING



OPS DIRECTOR Tighe Woods swears in the first local price stabilization board, at Sacramento, Calif. The members (left to right, front row): Dr. Mary Foley, chairman W. A. Hicks, Mrs. Loretta Frago; (second row) G. Hanson, Gordon MacAulay; (rear row) Roy Riegels, Howard Phillips. They will be called upon to make weighty decisions as . . .

OPS Tries Local Boards

Just as everyone thought price controls were breathing their last, there was a rumble of drums and a fanfare of bugles in Sacramento, Calif. The first of Tighe E. Woods' local price stabilization boards (BW-Oct. 3 '52, p. 36) was a fait accompli. A few days later two other "pilot boards" were set up in St. Paul, Minn., and Providence, R. I.

Price controls generally have been pronounced dead ever since election. It seemed only a question of whether they would shrivel away gradually, or be allowed to operate full scale up to entombment Apr. 30—the day legal authority for controls ends under existing law.

Tighe Woods, director of the Office of Price Stabilization, thinks lawmakers should postpone burial plans, and he is trying to rally housewives to continue price controls. Most congressmen, and many of Woods' own top aides, think he is wasting his time. But he's out in the country, giving it a try.

I. Help for OPS

That is why Woods has created the new local price stabilization boards. In addition to the three pilot boards, he hopes to open similar boards in 82 other cities where OPS has offices. The boards will not handle all price adjustments, only those that are appealed to them by the regional OPS office or any

businessman or group in the community.

The size of the board will be determined in part by the size of the community, but each board must have at least five members. The members are appointed by the district OPS and must include in equal parts business members and consumer members, with one additional impartial member chosen to represent the public at large. The members of these local boards serve without compensation, but OPS pays members \$10 a day expenses for any travel connected with board duties.

• **Opposing Forces**—This whole new program could be nipped in the bud Jan. 20, the day Gen. Eisenhower takes office. During the campaign, the general said that he did not like direct controls over prices and wages. Also, Washington economists argue that the time is approaching when direct controls will be almost useless as a check on inflation.

But OPS forces don't intend to let go without a struggle. While the agency has suspended some controls, it is sitting tight on others. It has compiled a list of 200 industrial raw materials and components, 60 building materials, and 50 examples of electrical and power equipment on which it thinks prices would go up without controls.

While the agency has set aside ceilings on millinery and bottled soft drinks, and all clothing will be out

from under controls by Dec. 1, these new suspensions—added to those granted earlier—cover only about 15% of the average family's spending. Another 35% of the items in a family budget are out from under control by specific instructions from Congress—mostly fruits, vegetables, electricity, transportation costs, medical care. OPS has only partial control over an additional 15% of family spending. This leaves 35% of family spending still under firm OPS control.

Woods is an old hand at stirring up grass-roots interest in government programs. Before he took the OPS job he was head of the rent stabilization program, which held the line for rent controls in many communities. His efforts to save OPS by setting up the new local boards started long before election with a series of public meetings to which housewives were invited. The Sacramento pilot office, in fact, was opened only three days after the Republicans swept into power.

II. Minutes of the Meeting

Because it was held to be "a historic event," Tighe Woods himself flew to Sacramento on Nov. 7 to inaugurate the first meeting of the first of the local price stabilization boards. In the county courthouse, against a backdrop of American and California state flags, Woods administered the oath of office to the seven board members and instructed them in their duties. Television, radio, and movies duly recorded the pageantry.

• **Who's Who**—The first board was made up of the following citizens:

• W. A. (Jimmie) Hicks, chairman, editor of the Sacramento Valley Labor Bulletin, city councilman, and member of Union Lodge; Scottish Rite, Ben Ali Shrine, and Lions Club.

• Mrs. Loretta E. Frago, housewife, member of Our Lady of Fatima Patrons Club and Loyola Guild of the University of San Francisco.

• Dr. Mary J. Foley, Assistant Professor of Economics at Sacramento State College, member of the American Assn. of University Women and the League of Women Voters.

• Samuel G. Hanson, secretary of California State Employees Assn., member of Commonwealth Club, California State Merit Award Board, and California Civil Service Assembly.

• Howard L. Phillips, supervisor of the Cardinal-Inks grocery chain, and member of the Elks and Lions clubs.

• Roy M. Riegels, office manager of Bercut Richards Packing Co., member of Rotary, Masonic, Union, and

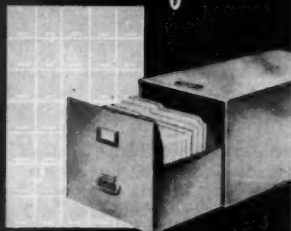
Can a Bore Be Interesting?

When a bore can make a piece of metal worth thousands of dollars, it becomes mighty interesting . . . so interesting that work is interrupted constantly to check accuracy.

The largest boring mill manufacturer recently asked Tumico for a micrometer which would measure inside bore diameter without removal of the boring bar or cutter settings. These "Over-the-bar micrometers" are now ready. Vacuum-sealed hollow frames assure lightness, minimum expansion and contraction. They can be used over bars from 1" to 14". For literature on "Over-the-bar micrometers," write Tumico, St. James, Minnesota, the people who make up B's in precision.

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Write for complete free facts.

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Being business for 65 years

Branches and dealers in all principal U. S. cities

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**"... you people can decide
many of these matters on a
common sense basis . . ."**

OPS starts on p. 43

University clubs. Riegels rose to fame in 1929, when, as center for the University of California football team, he grabbed the ball and ran the wrong way during a Rose Bowl game with Georgia Tech.

• **Gordon MacAulay**, proprietor of Shasta Laundry, and director of Rotary Club of Sacramento.

• **Agenda**—At the first meeting the board got right down to business. The first hour of the meeting was taken up with a report to the board from the local OPS office on meat price violations. The report painted a grim picture of high violations and instances of overcharges of as much as 6¢ a lb. above beef ceiling prices.

After this shocking condition had been uncovered, OPS reported it had called a meeting of more than 200 butchers, and urged violators to cease violating. A recheck on the situation made a few days before the new board's first meeting disclosed that virtually all violations had ceased.

• **Real Business**—After this hors d'oeuvre, the board got its first case for decision. The Motor Car Dealers Assn. of Sacramento was applying for a uniform adjustment of repair service charges. The association's 17 new car dealers asked a uniform rate of \$4.50 per hour for mechanical repairs, \$5 per hour for body work.

The first case turned out to be a natural. During the inaugural ceremonies, Tighe Woods had told the board that this problem of rates for automobile repair jobs had completely baffled his whole Washington staff for more than three months. "You people here in the community," he said, "can decide many of these matters on a common sense basis and decide them in a much shorter time."

• **Choice**—The OPS representative teed off by reporting that the 1951 books of the dealers showed adequate profit for most of the association members, and that the new board could give three alternative replies to this request:

• It could grant individual increases to applicants eligible under the Capehart amendment.

• It could give an across-the-board increase to the whole membership.

• It could give a 10¢-an-hour increase to the whole group—which would be simply a pass-through of a 10¢-per-hour wage increase granted by the existing contract with the union.

The OPS representative seemed to lean toward the 10¢-an-hour increase or

toward a refusal of the whole business. He told the board that individual increases would cost the community \$86,700 annually; across-the-board increases, \$327,725; and labor pass-through, \$73,700 annually.

• **Other Side**—After that, P. J. Moffat, vice-president of Capitol Chevrolet Co., asked permission to present the case of the Motor Car Dealers Assn. Moffat was somewhat surprised at the cost data presented by OPS. He said that, while he thought the increase was probably justified, in his own mind the real reason for asking for uniform ceilings was that his association felt that a uniform price for this work was essential. When the freeze went on, three of the dealers had filed \$4.50 as their freeze ceiling; one had filed at \$4.25; and the remaining 13 at \$4. Thus, under OPS, there was no uniform price.

In one sense, Moffat was asking for a rule that would have the effect of getting around antitrust limitations. Whether the price boards have the power to so shield a trade association would have to be decided in the courts. But at a minimum, Moffat stood to gain semi-official recognition of a given price as "fair." On this basis, conceivably, the association could go to the state legislature for a licensing bill.

Moffat went on to say that the uniform price was necessary to end "labor piracy." Within and around Sacramento, he said, there were close to 100 independent garage and repair outfits, some of which were nonunion and charged \$2.50 an hour for repair jobs. But to determine time on the job, these independents use the Chilton Manual, whose time allotments per job are far more generous than those in the manuals issued by General Motors, Chrysler, and other makers. The independents were grabbing off the most efficient mechanics because they paid 40% to 50% of what the total job came to.

• **The Decision**—Moffat didn't make clear how a higher uniform price for the new car dealers would deprive the independents of this particular advantage. But he apparently convinced the new board, because chairman Hicks asked Moffat if he would be satisfied with \$4.25 as a uniform rate. MacAulay and Phillips wondered what would happen if the \$4.50 jobbers were forced back to \$4.25. Moffat countered by saying that since he didn't know what the actual costs were in the \$4.50 shops, he couldn't answer for them.

The discussion was concluded when MacAulay remarked that he felt the matter should be gone into more deeply, and moved that the board delay judgment on this matter.

That was how, in its first two-hour meeting, the very first citizens' price board failed to make the very first local price ruling.

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We brightened up the "seamy" side

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protected inside and out and with a thermoplastic cemented side seam.

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Brightening the seam-side without losing solder's advantages is another Canco first and offers one more example of how Canco research, together with engineering and manufacturing skills, is con-

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War Crushed German Retailing, But . . .



. . . now, same old names . . .



. . . same old places . . .



. . . same old decor . . .



. . . same old promotions

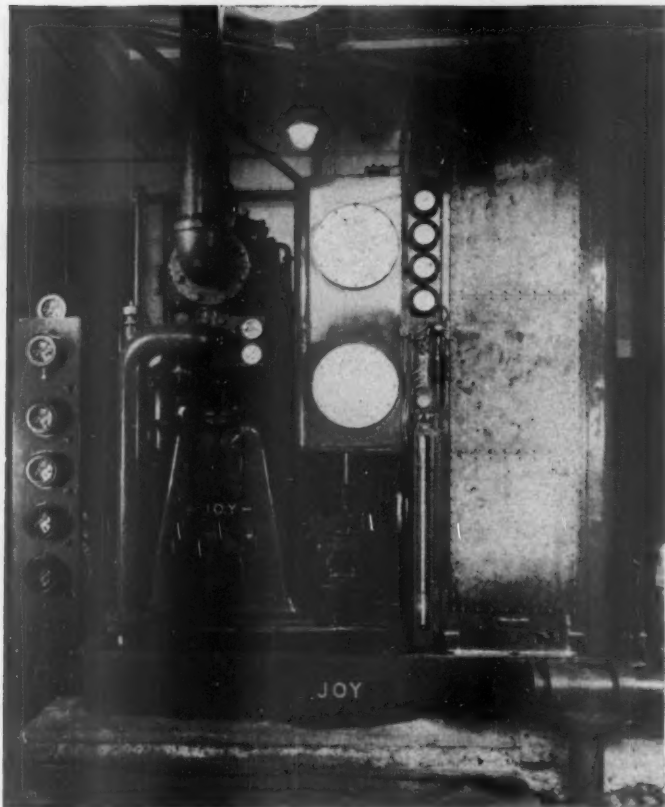
Bombs and social changes have failed to change German marketing patterns. Shopkeepers are back at their prewar stand—with a few differences.

(Story continues on page 48)

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OXYGEN**



***'No other way
is as cheap!'***



WHY depend upon outside sources for your oxygen supply? You don't buy compressed air in bottles or in liquid form—*why oxygen?* Especially when you can produce your own high-purity oxygen with a JOY Generator at a substantial saving—at least 50%!

The Joy principle of operation is an exclusive development. It's completely mechanical and automatic . . . no messy chemicals to handle and no residues to remove. The only raw material used is air, and the units are self-cleaning. Operating pressure is low (only 185 psi) and the use of pop safety valves and an automatic shut-off system makes for high inherent safety.

JOY Oxygen Generators are remarkably compact, and as simple to operate as an air compressor. The complete line includes

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Complete quality control from ore to finished rope; long experience and specialized know-how—these are your assurance that in Wickwire Rope you always get the proper combination of physical properties for long-lasting, reliable service on your particular job. For full information see your Wickwire Rope distributor or contact our nearest sales office.



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THE COLORADO FUEL AND IRON CORPORATION—Abilene (Tex.) - Denver - Houston - Odessa (Tex.) - Phoenix - Salt Lake City - Tulsa
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WICKWIRE ROPE

CFI

PRODUCT OF WICKWIRE SPENCER STEEL DIVISION
THE COLORADO FUEL AND IRON CORPORATION

**"... he's doing business
just as usual before the
war ..."**

RETAILING starts on p. 46

Neither war, nor bombings, nor wholesale migrations of population have shaken the German retailer out of his old ways. He's back at his old stand. What's more, he's back at the precise spot he was before he was bombed out. And with a few changes, he's doing business just as usual before the war.

The moral seems to be this: You can bomb a country, blow its buildings and its economy apart, smash its distribution system—but eventually the almost immutable laws of marketing will reassert themselves. For a time, as the country recovers, it will have a primitive, expensive, and inefficient marketing setup. In the case of Germany, there has been a return to the prewar status quo in almost minute detail.

This, of course, probably has a psychological side. In any case, the mighty changes that have rocked U.S. marketing—the supermarket, the trend to the suburbs—have barely touched Germany. There has been some shift of population to the suburbs, but the shopping districts are still firmly anchored downtown.

Nevertheless, there have been major changes in the German buying habits as a result of major changes in income groups. These differ from the changes that have taken place in the U.S. (BW—Nov. 22 '52, p. 110). Yet they have had some effect on German merchandising.

I. Business at the Old Stand

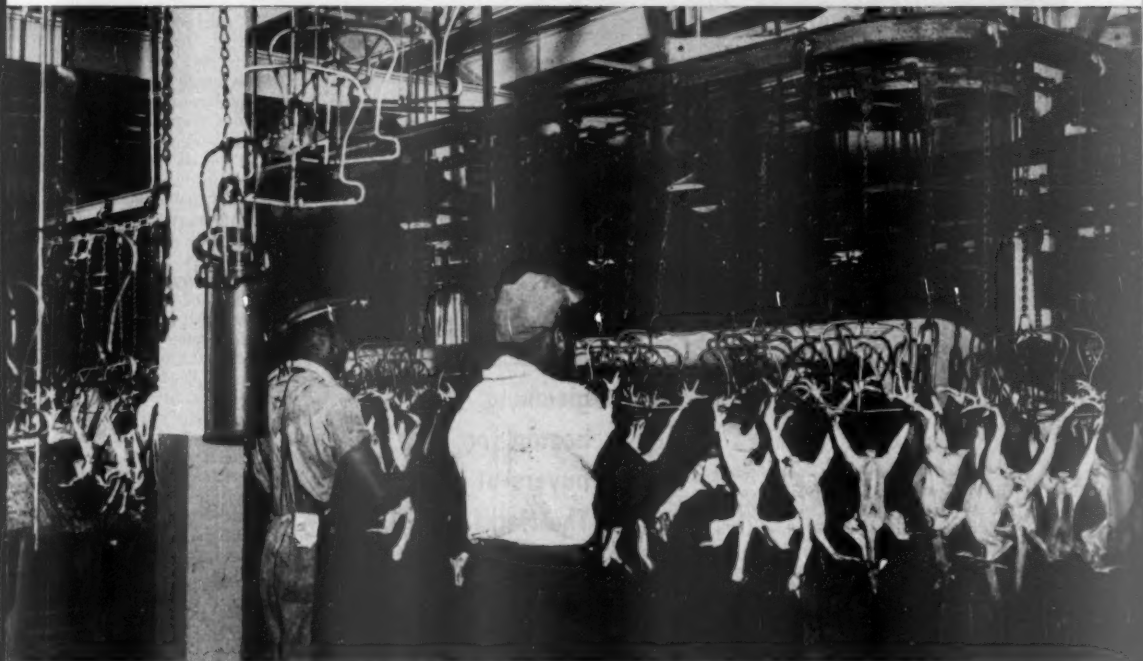
The division of the marketing pie is swinging back to prewar normal. The big enterprises—department stores, consumer cooperatives, and chain stores—are still somewhat behind in total volume as well as in their share of total sales. But they are catching up fast. In food, for example, the consumer cooperatives have 6.1% of the total market; the department stores, 1.1%; chain food stores have 5.7%, and the independents have the rest. That's almost exactly the lineup before the war.

What strikes the observer is that the stores appear to have rebuilt the cities. When the big retailers decided to move back to the home site, they worked like a magnet to pull other construction into the area—first other stores, then office buildings, and finally some rebuilt homes.

• **Old Facades**—It took time, of course. At first the returning stores had only ground floors to work on, but they opened for business anyway. Out of

Link-Belt Research and Engineering . . . Working for Industry

Each 8-hour day . . . enough chicken for 32,000 tables



Modern southern packing plant processes 4000 chickens per hour on LINK-BELT Overhead Conveyors

ON mechanized conveyors, chickens start their trip through this southern packing plant, eventually ending in freezers. During plucking, roughing, scalding and eviscerating—they never leave the Link-Belt Overhead Trolley Conveyor.

In meat packing, too, Link-Belt Overhead Conveyors and other types of handling equipment permit quick, direct flow through the entire plant, regardless of physical layout. They save floor space, permit improved working and sanitary conditions.

Many other foods reach your table in peak condition with the help of Link-Belt products. Perishable produce, seafood and dairy products are kept fresh during rail, truck or boat shipment with Link-Belt icing equipment. Sugar, grains, canned and bottled foods—all move smoothly from field to shelf with the aid of Link-Belt products.

Helping feed America is just one way in which Link-Belt research and engineering touch all our lives. In mines and forests, mills and factories, Link-Belt conveying, processing and power transmission products increase output, reduce costs, make America more productive.

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Plants: Chicago, Indianapolis, Philadelphia, Colmar, Pa., Atlanta, Houston, Minneapolis, San Francisco, Los Angeles, Seattle, Toronto, Springs (South Africa), Sydney (Australia). Sales Offices in Principal Cities.

15,001



Link-Belt Ice Crusher-Slinger lays a blanket of snow ice in every crevice of this celery shipment. Fast and economical, top-icing maintains safe temperatures, preserves freshness.



The use of translucent glass, the modern material, in tomorrow's merchandising and manufacturing structures is an established trend. Designers and architects everywhere appreciate the beauty and utility inherent in this versatile, new medium. One of the most recent and attractive indications of this important movement is the facade of the new Hecht Co. department store in Parkington, Arlington, Virginia.

Described as "America's most beautiful suburban department store," this impressive building features an exterior wall gleaming with 15,000 square feet of sturdy Mississippi Hammered Wire Glass. This handsome, fire retardant wall is striking by day and night... It is also a giant poster used to publicize community events and store activities.

Figured glass by Mississippi is the newest thing in design, fast replacing conventional materials for interior partitions as well as exterior walls. Glass offers many distinct advantages... is easy to install and maintain... never loses its lustrous beauty.

The properties of Mississippi glass can solve many design problems. It is available in a wide variety of patterns and textures wherever quality glass is sold. Listed in Sweet's Catalog. Samples on request.

Write today for free catalog, "Figured Glass by Mississippi." Photographs of actual installations. Many ideas on ways to use this exciting new medium in all types of commercial buildings.



The new Hecht Co. Department Store in Parkington, Arlington, Virginia is an outstanding example of modern design.

MISSISSIPPI *Glass* COMPANY

88 ANGELICA ST. SAINT LOUIS 7, MO.
NEW YORK • CHICAGO • FULLERTON, CALIF.

WORLD'S LARGEST MANUFACTURER OF ROLLED, FIGURED AND WIRED GLASS

a half acre
of Glass forms
gleaming
beacon for
buyers at
The Hecht Co's.
modern store

their first-floor profits they added another floor, and another.

The Kaufhaus Des Westens in Berlin is an example of how one store rebuilt a neighborhood. Before the war it was a favorite with Berliners. Bombs wiped out four blocks and the streets surrounding them—KDW with them. Then, in 1950, KDW started to rebuild and opened its first floor to customers. In two years the Kurfuerstendamm has come back to life (picture, middle right, page 46).

The return to the past is carried through into the smallest detail. The new KDW is a replica of the old building, inside and out (picture, page 46). There had to be some changes, of course, to get all the merchandising on three selling floors instead of five. The one big difference is that food, the first thing postwar customers wanted, now shares the honors with textiles on the main floor.

• **Old Names**—Even well-known store names of Jewish owners—whose property had been confiscated—are reappearing, though their former owners likely as not have long since moved to another country or are dead. The name may have changed a little—the Hermann Tietz department store chain is now shortened to Hertie (picture, page 46). But its origin is still clear.

The cooperatives have also reappeared and resumed their former role in the economic picture, despite the fact that Hitler smashed the co-op movement.

II. New Clients Emerge

Nevertheless, for all the striving for the past, the economic upheaval of the past decade has left its mark.

There are more shops per inhabitant in Western Germany and Berlin than before the war. Before the mark was devalued in 1948, the black market attracted a lot of enterprises that promptly moved over into legitimate retailing when money was stabilized. At that time they could afford to. Goods were scarce, profits high. Now competition has come back some. Margins have shrunk. Occasionally, stores have sales, just like U.S. stores. The bloom is off some smaller shops.

• **What They're Buying**—Another change is in the share of total sales that different items account for. Today food sales of the Westdeutscher Kaufhof chain account for 20% of total sales instead of the prewar 10%. Furniture and hardware—despite their recent gains—are not yet up to their prewar level. Textiles have about held their own, at 62% to 65%.

It's likely that this realignment of stocks will stay awhile, for one good reason. A middle class, composed of the skilled and semiskilled worker—rather than the civil servant and white

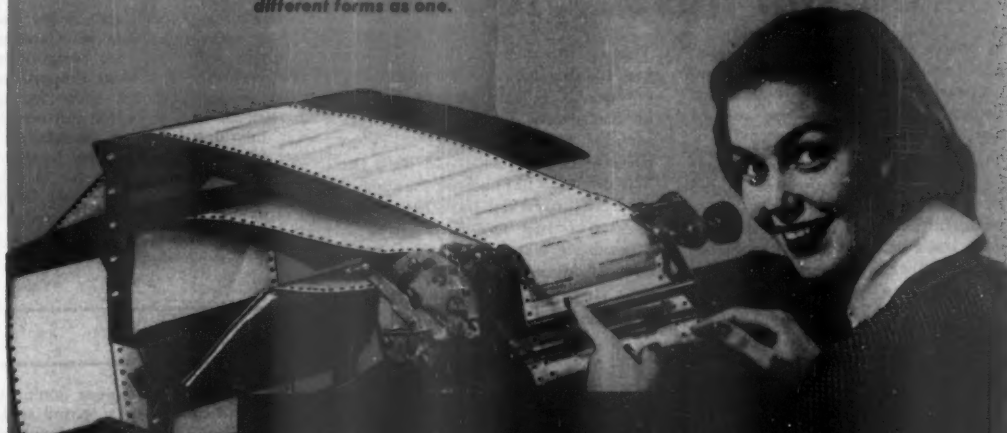
there's a
big
difference
in "paperwork" costs

for instance: Standard's DUAL FEED
*Standard's Dual Feed on your business
machine makes possible continuous, automatic
operation in the preparation of two
different forms as one.*

Somewhere in your office, maybe
you could write certain records at twice
the present rate — at half the cost per
finished document — with Standard's
business forms and paperwork
simplification devices.

These devices for simplifying the *writing
process* make a big difference in
"paperwork" costs — and so does the
analysis and planning behind Standard
Register business forms. For Standard's men
concern themselves with the system's
purpose and the whole procedure, to
develop *better-working papers*.
And Standard's 40 years of *form design*
experience and "know-how" in
producing *top quality business forms*
save hundreds of needless operations for
93 of America's 100 largest firms,
and thousands of others.

See how we can help you. Phone
Standard Register in your city. Or
write The Standard Register Company,
111 Campbell St., Dayton 1, Ohio.

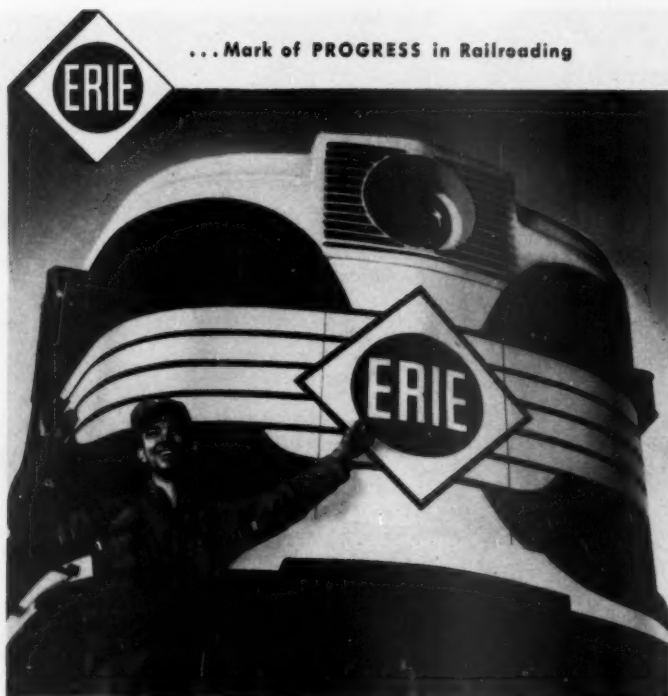


Standard Register

BUSINESS FORMS



Paperwork Simplification



On the nose...100%

● We've got some important news about the Erie—news that's summed up neatly by pointing to the familiar Erie diamond right on the nose of our diesels.

The Erie is proud to announce that all its freight trains are now hauled by diesel locomotives—100%. These powerful, modern locomotives produce the efficiency that gives better "on-time" freight performance for shippers—Erie's prime objective.

This milestone marks the Erie as the first trunk line railroad operating between New York and Chicago to be completely dieselized in freight service. Known as the "Mark of PROGRESS in Railroading", the Erie diamond has become the symbol of Erie's forward-looking policy of providing the best in safe, dependable transportation—one of the reasons why so many shippers say, "Route it Erie!"

Erie Railroad

Serving the Heart of Industrial America



collar workers in the service trades—has emerged from the economic shuffle of the past decade.

This new, prosperous middle class wants different goods. It doesn't hanker so much for impressive homes, fine linens, pianos, a library of classical books—all musts to the old middle class. The prosperous worker today wants a radio, not a piano.

So the department stores have trained their guns on what looks to be the best prospect: the newly well-to-do worker. Trouseau linens and fine clothes are left to the specialty stores.

• **On-the-Spot Promotion**—In one way at least, the face of German retailing has changed decidedly. The big weekly newspaper advertising of pre-war years has mostly gone. The stores have built up a substitute that seems to stand them in good stead. Their ads are specially built show windows on the pavement in front of the store.

III. Still the Old Cartel System

Right now it looks as though the retailing picture won't change much for some time. The independents have won a sort of truce from the big enterprises—which have agreed not to squeeze further into the small stores' territory.

At the moment, the big stores don't need to expand further. They have their hands full just rebuilding their present plant.

Another important factor is the long history of cartelization in Germany that left small room for competition. Price controls have been dropped on most products, except some agricultural items such as butter and cereals. But the long habit of manufacturer-fixed prices, though not now legalized, still persists. This makes for (1) the chances of survival of the old family names in retailing, and (2) good, fat profit margins out of which to continue the rebuilding.

MARKETING BRIEFS

Two night openings a week don't pay for department stores; a second night contributes an additional sales volume of less than 2.8%. That's the conclusion of Philadelphia Merchants Assn., based on a study of 19 leading department stores in seven cities.

Drugstore customers split pretty evenly on whether they like self-service, an Opinion Research Corp. survey for Drug Topics shows. Of those surveyed, 39% said they liked self-service, 35% are against it, and 26% said they had no opinion.



special steels take talent, too

Natural aptitude, years of study and a talent for simplifying the difficult are all essential in the jobs of metallurgy and engineering at Crucible. That's because Crucible's specialty steel activities are different from what we ordinarily associate with *Steel*. For Crucible's most *usual* order often times calls for a most *unusual* application of steel.

For example, analyze the myriad parts that make great organ music possible . . . and you'll find Crucible special steels used in pumps, tubing, springs, valves, magnets,

lamps and studs. The list of Crucible special steel applications is long — from atomic energy plants to precision, surgical instruments; from television sets to cafeteria trays; from juice evaporators to jet engine assemblies.

The range of Crucible's special purpose steels is constantly increasing to meet industry's ever-growing demands. Gain from Crucible's more than half century of specialty steel leadership . . . this experience is at your call.

CRUCIBLE

first name in special purpose steels

52 years of *Fine* steelmaking

CRUCIBLE STEEL COMPANY OF AMERICA, GENERAL SALES OFFICES, OLIVER BUILDING, PITTSBURGH, PA.

MIDLAND WORKS, MIDLAND, PA. • SPAULDING WORKS, HARRISON, N. J. • PARK WORKS, PITTSBURGH, PA. • SPRING WORKS, PITTSBURGH, PA.
SANDERSON-HALCOMB WORKS, SYRACUSE, N. Y. • TRENT TUBE COMPANY, EAST TROY, WISCONSIN • NATIONAL DRAWN WORKS, EAST LIVERPOOL, OHIO



Teaching Liquor Retailers How to Sell

(Story continues on page 56)



CONVERTING WAREHOUSE: Central Beverage Co., Hiram Walker distributor, made it into a gay exhibit hall with distillers' help. Host George Weisenfeld, president, Central Beverage

(right, lower picture), sets up retailers and wives with good eats and good company. The festival is one of a series that Hiram Walker is sponsoring. The aim: to show retailers there are better ways to boost sales than cutting prices.



Retailers learn about new bar equipment.



They see how baskets snap up gift displays.



They hear sales pitch on cash registers.



Fancy ribbons . . .



. . . for gift-wrap bows . . .

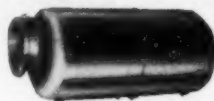


. . . make fun . . .



. . . for all.

3 quick
guesses
here...



These three Hackney
Deep Drawn Shapes are
supplied by us as
component parts for other
manufacturers' products.
Can you guess what kinds
of products they
are used on?
(Answers below.)

may save
you
guesswork
here...



Answers:

- 1—Seamless shell
for a dry chemical
fire extinguisher.
- 2—Air receiver
for portable air
compressor.
- 3—Condenser
shells for refrigeration
equipment.



Hackney

Pressed Steel Tank Company

Manufacturer of Hackney Products

1483 S. 66th St., Milwaukee 14 • 1387 Vanderbilt Concourse Bldg., New York 17
287 Hanna Bldg., Cleveland 15 • 538 W. Peachtree St., N.W., Room 119, Atlanta 3
206 S. LaSalle St., Room 709, Chicago 4 • 553 Roosevelt Bldg., Los Angeles 17
18 W. 43rd St., Room 12, Kansas City 11, Mo.

CONTAINERS FOR GASES, LIQUIDS AND SOLIDS

"... there are more ways to
step up sales than cutting
prices..."

LIQUOR starts on p. 54

"My feet hurt," a salesman complained cheerfully, "but it's worth it."

The occasion was a holiday merchandising festival for liquor retailers. The host was George Weisenfeld, president of Central Beverage Co., Hiram Walker distributor. The scene of the festival, held November 12-13, was Central Beverage's warehouse at Jersey City, N. J. The guests were Weisenfeld's customers—retail store and tavern owners—and their wives.

• **Sales Angle**—People enjoyed themselves. But the aim of the festival was dead serious: to get across to the liquor retailer that there are more ways to step up sales than cutting prices.

Hiram Walker, Inc., has been plugging the merchandising festival for some time. Raymond Revit, vice-president of Hiram Walker, says that his company's products, especially Imperial, its moderate-priced blend, have held up extremely well in the face of the apparent declining consumption of liquor (BW—Sep. 6 '52, p. 50). Sales have picked up considerably in the first two months of the current fiscal year (beginning Sept. 1).

But Ross Corbit, Hiram Walker president, has felt that the alcoholic beverage industry "must undergo a change in perspective as regards its selling and merchandising." He and Revit want to put over the idea that a wholesaler's job doesn't end when he has loaded stuff onto the retailer; he should help the retailer unload, too.

• **Retail Problem**—The Hiram Walker approach is a refreshing one in an industry that intensively re-works old ideas. Liquor retailing presents a static picture for the most part, mainly because of the tight controls clamped down on it by state and local governments. Where you don't find state-owned monopoly stores, you're apt to find strict controls over licenses, prices, advertising. Distillers who want new business can't just go out and find new outlets.

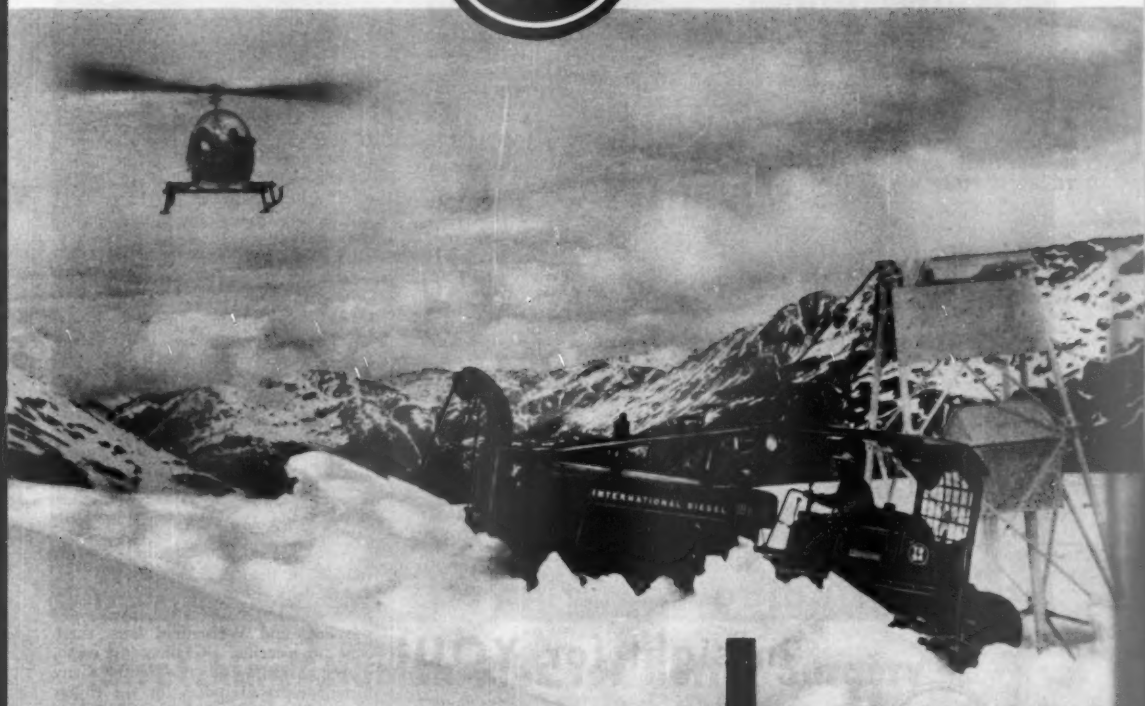
Instead, they put remorseless pressure on the nation's 30,000-odd package stores. They overload the dealer. They offer him all kinds of two-for-one deals, and special offers. They do anything to get him to give their products more shelf and counter space than their competitors.

• **How It Is Done**—The merchandising fair gets at the retailer from five angles: advertising, displays, salesmanship, gift-wrapping, and equipment. Outside firms that sell equipment or merchan-

Big Red



Pioneers New Frontier



59 "Big Red" International TD-24 crawler tractors spearhead largest integrated engineering program in history for Aluminum Company of Canada, Ltd., on Project British Columbia.

A fleet of 59 hard-hitting International TD-24s is blazing a new frontier across 5,000 square miles of wilderness in British Columbia.

Here are some of the jobs the project includes, in an area that even now hasn't been completely mapped:

- building the largest sloping clay core dam in the world
- driving a subway-size tunnel ten miles through a mountain
- blasting an eight-story power house two blocks long in solid rock
- erecting a transmission line fifty miles long over jagged mountains
- raising the world's largest aluminum smelter and a new port city at Kitimat where 50,000 people may eventually live and work.

All this—to provide aluminum at low cost, by using electricity made from water power otherwise wasted.

All over the project, veteran construction workers find that Inter-

nationals provide the muscle behind each engineering feat.

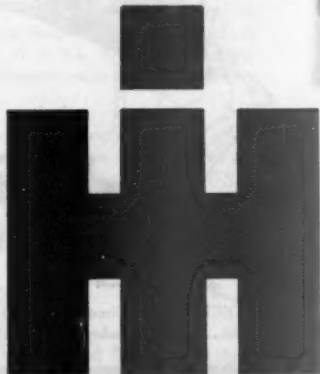
The big red machines with the IH trademark are known for good work. When you have a job to be done, get the facts on International Power from your International Industrial Distributor.

INTERNATIONAL HARVESTER COMPANY
Chicago 1, Illinois



ROAD TO THE SKY—Bill Richards, construction foreman for prime contractors Morrison-Knudsen Company of Canada, Ltd., puts roads up mountainsides with International power.

POWER ON THE ROOF OF THE WORLD—International TD-24 and helicopter team up at construction camp supplied entirely by "airlift"—building the mile-high power transmission line over mountain and glacier on the rugged coast of British Columbia.



INTERNATIONAL HARVESTER

Industrial Power . . . McCormick Farm
Equipment and Farmall Tractors . . . Motor Trucks
. . . Refrigerators and Freezers.

California's INDUSTRIAL ELBOW ROOM

A MILLION-DOLLAR INDUSTRIAL FUND TO HELP YOU

A one-million dollar industrial fund has been set up through the Kern County Board of Trade to help sound industry locate in Kern County. Write today — Tell us what you need.

YOUR PLANT SITE IS READY

Your new buildings, land included, can be ready in 90 days for as little as 7 dollars per square foot on Kern's new 155-acre plant site. Spur railroad trackage, served by leading railroads . . . main U. S. Highways adjacent to site . . . industrial sewage facilities . . . water and power supply—all ready for your Kern County operation.



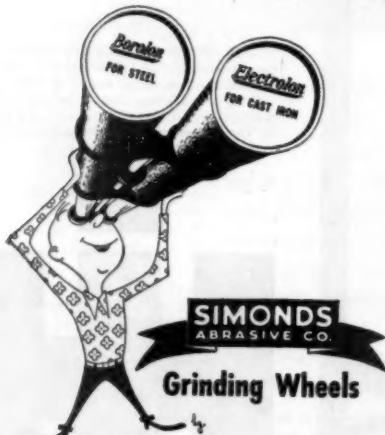
Kern County — Strategically and ideally located in California's central valley — gives you unlimited elbow room to expand your operation.

Natural resources, cheap productive labor, plant sites with complete facilities, transcontinental transportation — everything you need for year-round, profitable operation in Kern — California's Amazing County

Write today for free folders . . . or specific, confidential information about Kern, California's Amazing County.

KERN COUNTY
BOARD OF TRADE
B. Frank Jones, President
P. O. Box 1312
Bakersfield, California

Better grinding in sight for **YOU!**



EXECUTIVES—Simonds Abrasive Company's complete line has everything you need . . . grinding wheels, mounted wheels and points, segments and abrasive grain.

The right wheels for all your jobs are in Simonds complete line . . . Borolon (aluminum oxide abrasive) and Electrolon (silicon carbide abrasive) grinding wheels in vitrified, resinoid, silicate, shellac (elastic) bond processes in all shapes and sizes . . . consistently dependable production tools. Let a Simonds engineer help you find out where they fit into your plant operations. It costs nothing. Write.

SIMONDS ABRASIVE CO. PHILADELPHIA 37 PA. BRANCH WAREHOUSES CHICAGO DETROIT BOSTON
DISTRIBUTORS IN PRINCIPAL CITIES

Division of Simonds Saw and Steel Co., Fitchburg, Mass. Other Simonds Companies: Simonds Steel Mills, Lockport, N. Y., Simonds Canada Saw Co., Ltd., Montreal, Que. and Simonds Canada Abrasive Co., Ltd., Arvida, Que.

"...it's definitely the wholesaler's show . . ."

LIQUOR starts on p. 54

dising gimmicks that the liquor retailer could use set up exhibits.

This was the fifth show put on by a Hiram Walker distributor. The first was held three years ago, sponsored by Gordon Bass & Co., distributor in the Newark area.

Now the idea is really snowballing, says Revit. Last week a Peoria (Ill.) distributor put one on; Syracuse is scheduled to get one soon; so is Minneapolis. "We couldn't stop now if we wanted to," Revit comments.

• **Running the Show**—It's definitely the wholesaler's show in every case; Hiram Walker stays in the background. "They didn't even ask us to put the show on," Weisenfeld said, with a touch of awe in his voice. Nonetheless Hiram Walker does a lot to help. It does the physical work involved—dressing up the exhibit space, building a room, if necessary. It helps, too, in lining up exhibitors, and offers ideas on how to promote the show. The wholesaler pays the cost of the publicity, provides the space and the refreshments.

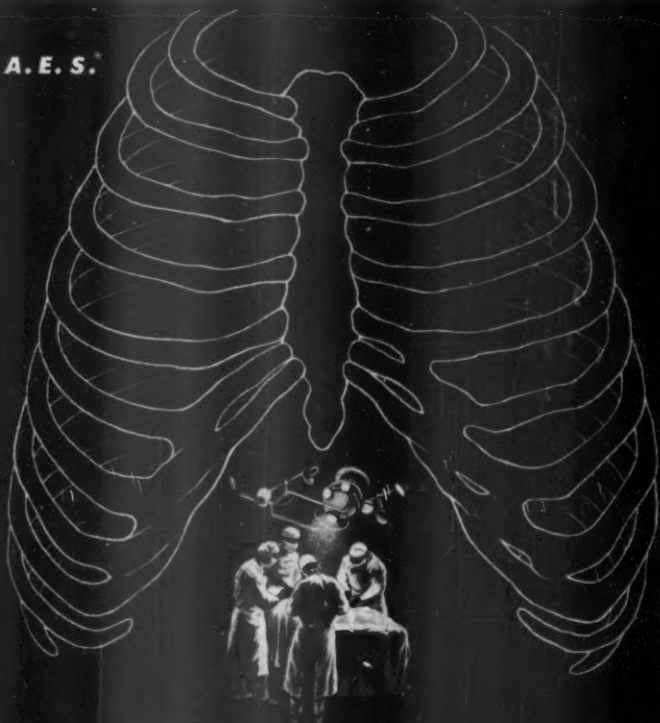
Not all the fairs follow the same pattern. Bass has built his annual festival into a big shindig; there were 48 exhibitors at his latest one in October. In Albany, the fair was a fairly formal affair, held in a hotel, with regular merchandising talks and exhibits. At the Bass and Weisenfeld fairs, there were no speeches. Retailers just came, looked, asked questions—and in many instances placed orders for the things they saw.

• **Getting Ideas**—At the Central Beverage warehouse, retailers saw the latest in bar equipment, and fancy gadgets like the Bevador beer cooler. They got a look at new office and accounting equipment. Newspaper advertisements were on display to show them how to get their message to customers. There were display ideas by the bucketful.

At the counter of Minnesota Mining & Mfg. Co., makers of Sasheen ribbon, demonstrators had a heyday making bows. Retailers and their wives crowded in to watch how to make bows to dress up their Christmas gift bottles. The company does thousands of dollars of business at each of the shows.

• **Rosy Results**—The total of 2,000 guests who jammed the small warehouse on both evenings left no doubt as to whether they were interested. The exhibitors, too, were satisfied with results. Those with smaller wares, such as ribbon or display baskets, were taking orders. But even exhibitors of costly items said they were getting a few orders and a lot of good leads.

Carpenter A. E. S.*



"Stretching" Human Ribs for Better Surgery



*Another example of how Carpenter
*Application Engineering Service
is working for industry*

Look down a long hospital corridor late at night. A soft light gleams over the operating room. Inside, skilled hands, working with modern instruments, are prolonging another life. And one of the instruments often in use is a rib spreader . . . employed to separate ribs in the human

body during a chest operation. A vital part of the spreader is the rack that supports the two jaws. It must have strength to remain rigid when the patient breathes heavily under anaesthesia. Its finish must be bright, smooth, sanitary. Above all, it must be *available* to meet the needs of many hospitals.

The manufacturer first tried an ordinary Type 416 Stainless Steel to make the rack. But because of difficulties in machining, he couldn't produce the spreader fast enough to fill critical orders. Here is how Carpenter Application Engineering Service paid off. Carpenter Stainless No. 5, Type 416 was recommended . . . a *free-machining* Stainless invented by Carpenter some years ago. With No. 5 the manufacturer upped production 25% and obtained more uniform hardening qualities in heat treatment.

Here is just one more case wherein industry has found a way to make better products and hold down costs . . . with the help of Carpenter Application Engineering Service. A.E.S. is yours to profit by when you do business with Carpenter. THE CARPENTER STEEL CO., 140 W. Bern St., Reading, Pa.

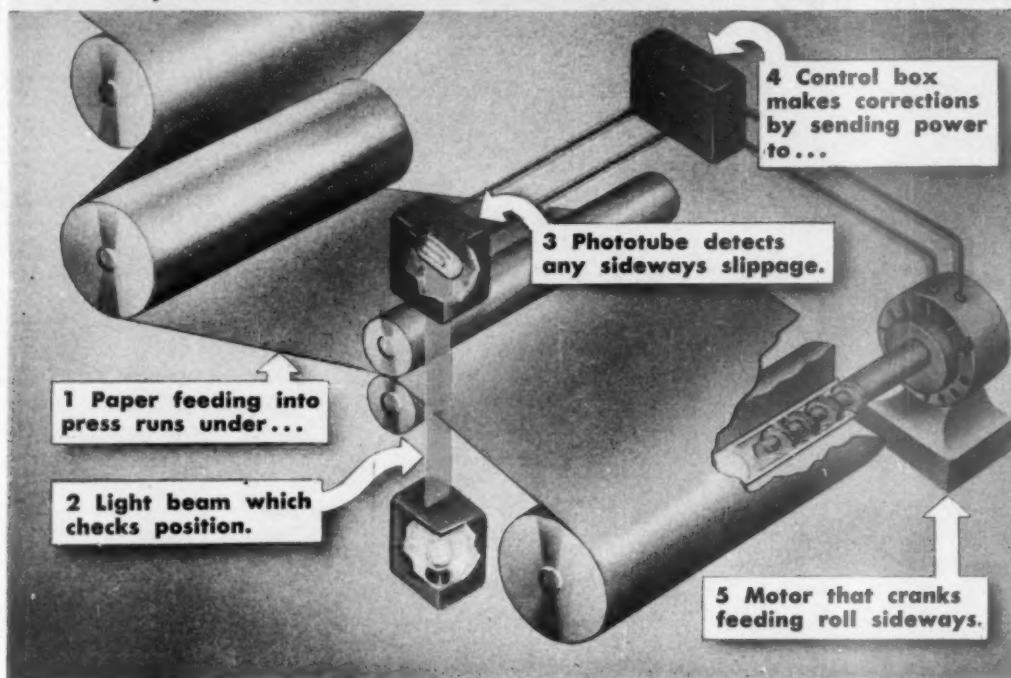


Carpenter STEEL

Tool Alloy and Stainless Steels

Pioneering in Improved Tool, Alloy and Stainless Steels Through Continuing Research

PRODUCTION



ELECTRONIC CIRCUIT to keep paper roll running straight exemplifies a trend, but here's the realistic verdict on . . .

Control Devices: Still a Long Way to Go

Before the war widespread use of automatic control devices was little more than a speck on the horizon. A few companies were using automatic equipment—such as the system above, which Westinghouse developed to regulate the flow of paper into printing presses—to keep tabs on the production line. But, by and large, companies depended on human beings to detect errors along the line and make corrections.

As the production line picked up speed—especially during the war—companies found that humans could no longer cope with control problems. More and more they turned to automatic devices. Manufacturers of control equipment suddenly found their baby industry had grown into adolescence.

If you were to back off and look at the industry today, this is what you'd find:

- **Maturity is still a long way off.** Producers are still experimenting, and they have yet to solve one of their biggest problems—cost.

- **Electronics is the biggest single factor in the control field.**

- **Nuclear science is being developed for controls,** but many companies are afraid of radiation.

- **Plus and Minus**—The war was both a help and a hindrance to the control-equipment business. The government put the pressure on production, and military requirements got more exacting.

That put industry in general on the spot. So it grabbed whatever control devices were available.

But at the same time, real concentration on control problems was out of the question. Scientists or engineers who would have been dreaming up control equipment in ordinary times were tied up on military design.

When the war ended, industry pulled out the stops. Many new companies sprang up to design and build control equipment. Completely new types of controls were invented, and old devices were given new jobs. Westinghouse's Side Position Regulating Control

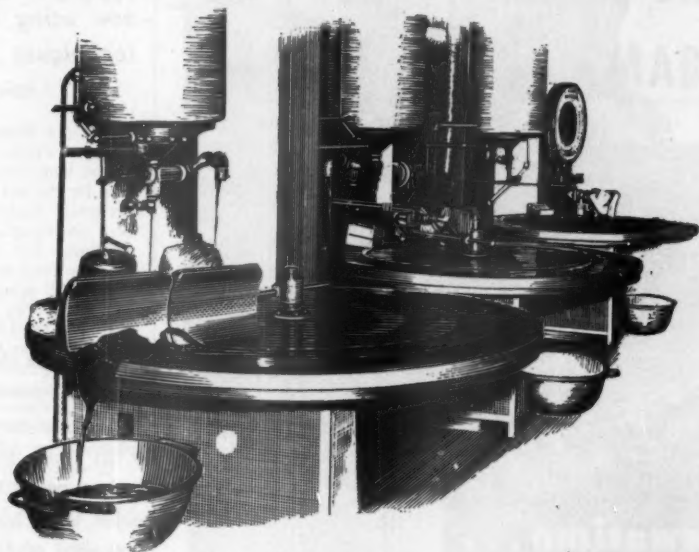
(above), for instance, was put to work guiding coils of steel in processing.

- **Advance Billing**—Electronics admirably lived up to the promise it showed during the war. It is responsible for one of the important postwar developments—the direct-reading spectrometer. The spectrometer's job is to determine the concentration of various elements in a sample of metal. It cuts hours off the old chemical testing process.

This is how it works: The furnace crew dips a sample of metal from the furnace and sends it to the lab by pneumatic tube. There, it is readied for the test and shoved into an electrode holder.

Current is applied, and it produces a spark. This is where the spectrometer takes over. It analyzes the spark and automatically records the percent of each element in the sample.

- **Time-Saver**—In a matter of minutes, the production department has its report. The foreman can immediately compensate for errors, or make any changes necessary if the concentration



How **CONDITIONED AIR** maintains cough drop production by controlling sugar dust

Can modern air conditioning and refrigeration help you, too?

In making their world-famed cough drops, Smith Bros., Poughkeepsie, N.Y., rely heavily on both air conditioning and refrigeration to keep production schedules at a high level.

Big problem is sugar dust. Its stickiness would soon make machines inoperative. So every precaution is taken to control both temperature and humidity by mechanically air conditioning all working areas.

Mechanical refrigeration, too, plays an important role. Chilled water circulated at 50°F. inside revolving tables cools syrup from 320°F. to 260°F. to facilitate molding cough drops. Similar cooling takes place on kneading tables where chilled water circulates in mixing blades. From the cooling chamber the finished product travels on conveyors to a packaging

room. Here, temperature is carefully maintained at 68°F. with relative humidity at a constant 30%. In all . . . a total of 115 tons of mechanical refrigeration keeps the wheels turning smoothly in ideal conditions throughout the plant.

In recent years, thousands of manufacturers have put air conditioning and refrigeration to work in thousands of different jobs. They've learned that these two modern facilities aid in saving time; saving costs; speeding production and helping to make better products of all kinds.

And today in plants from coast to coast you see both large and small air conditioning and refrigeration systems operated with dependable "Freon" refrigerants. That is because these refrigerants are safe . . .

nonflammable, nonexplosive, virtually nontoxic, and their purity helps insure long, efficient, trouble-free operation of the equipment. For these reasons, your consulting engineer will heartily recommend "Freon"-charged machines to meet your specific needs.

For additional information on how refrigeration may help you, write for booklet: "How Air Conditioning and Refrigeration Benefit Industry." E. I. du Pont de Nemours & Co. (Inc.), "Kinetic" Chemicals Division, Wilmington 98, Delaware.

"FREON" SAFE REFRIGERANTS

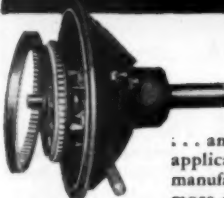


150th Anniversary
BETTER THINGS FOR BETTER LIVING
... THROUGH CHEMISTRY



"Freon" is Du Pont's registered trade-mark for its fluorinated hydrocarbon refrigerants.

Cut Downtime... Step up Worktime



More Friction Power Take-Offs... in more sizes... and in more fields of application than any other manufacturer. That's why more and more manufacturers and users of powered equipment are standardizing on Twin Disc Power Take-Offs.

Standardization on Twin Disc drives is a profit-making practice because it assures you (1) long work life; (2) ready availability of parts and services; (3) interchangeability of parts; (4) advantage of specialized "know how" by repair departments; (5) minimum parts inventory requirements.

Increased manufacturing facilities at Twin Disc assure you of quick delivery of both complete drive units and replacement parts. Complete parts stocks at 8 factory branches and 60 parts stations—which are staffed by service experts—bring quick service near to you.



8 Factory Branches
and 60 Parts Stations
strategically located.



\$3 1/4 million of service parts
and complete replacement units
carried in inventory.

Built for a Long Life...
Backed for a Lifetime



TWIN DISC CLUTCH COMPANY, Racine, Wisconsin - HYDRAULIC DIVISION, Rockford, Illinois

BRANCHES: CLEVELAND • DALLAS • DETROIT • LOS ANGELES • NEWARK • NEW ORLEANS • SEATTLE • YULFA

"... some companies are now using various nuclear techniques..."

CONTROLS starts on p. 60

of any one element is too large to be corrected easily.

The long chemical process originally used for the test often took as much as five hours. Early in the war, a combination photographic and spectrographic technique was substituted. That cut the time down to 15 or 30 minutes. But it was still possible to ruin a heat of steel before the tests were finished.

• **Easing In**—The direct-reading spectrometer seems to solve that problem. But already there is excited talk of new techniques using radioactive materials that might give a continuous and instantaneous check. These nuclear applications are still far away.

However, some companies are now using various other nuclear techniques. Carborundum Co., in Niagara Falls, uses a nuclear gauge to keep a continuous check on the thickness of coated abrasives (BW—Jun. 7 '52, p. 60). Oil companies use radioactive isotopes to control the flow of different petroleum products through a single pipeline, or to speed the flow (BW—Oct. 25 '52, p. 68). U.S. Rubber Co. uses beta rays for quality control.

• **Backed Off**—A lot of companies still shy away from anything nuclear—either because it's expensive or because they are afraid of it. One big company that experimented with radioactive materials and then gave it up is General Motors. To check the height of molten iron in a cupola, GM mounted a radioactive isotope on one side and a detection device on the other side of the cupola. The detector registered when it was opposite coke or scrap, did not register when it was opposite molten iron. The process worked all right, but GM rejected the idea because of danger to personnel.

About three years ago Chrysler Corp. had a fling with a nuclear gauge, then abandoned it. Chrysler found that it could unroll coiled steel through the nuclear gauge at about 25 mph. and get an accurate check of thickness. That meant it could run a continuous check without stopping the process to cut out a sample. The trouble was that the nuclear-gauge technique called for too many technicians and engineers.

• **Radiation**—Many of the companies that shun nuclear devices have adopted control techniques that are directly related to, and in many cases resulted from, nuclear developments. These companies are finding many more uses for X-rays than they did before everybody got interested in radioactive

Are you looking for a high strength steel with superior **FORMABILITY?**

Here it is.

Circular blanks of U-S-S MAN-TEN High Strength steel $\frac{1}{4}$ " thick are press-formed, cold, into seamless shells, 29" in diameter, 24" deep, to form the upper and lower halves of these Hackney containers.

THIS cold-drawing operation that Pressed Steel Tank Co., Milwaukee, Wis., puts U-S-S MAN-TEN steel through, is, to say the least, extremely drastic. It calls for a degree of formability that would be considered high even for carbon steel.

The fact that U-S-S MAN-TEN—a high-strength steel—performs successfully under such severe conditions will, we believe, come as quite a surprise to quite a few steel users. Most of us are inclined to think of high-strength steel as being "stiff" and, therefore, not readily formable.

This is definitely not true in the case of the U-S-S MAN-TEN steel used in producing Hackney containers. Compared with carbon steel, this particular high-strength steel is "stiffer"—but only insofar as it requires more force to form it. Under sufficient forming pressure, the steel—especially adapted for this application—exhibits surprising ductility, flows evenly under the press dies and can be successfully deep drawn, cold.

Pressed Steel Tank Company has taken full advantage of this fact. By cold drawing the shells for their con-



tainers from U-S-S MAN-TEN steel which has a yield point 50% higher than plain carbon steel, they are able to reduce shell thickness 24% and produce a container which is stronger, tougher and more durable, although it weighs 24% less. For example, the 420-lb. propane capacity container illustrated above, weighs only 335 lbs., is 102 lbs. lighter than the same size container in carbon steel.

This saving in weight means easier handling in the shop and during installation. It means a substantial reduction in freight costs, both on the steel used and on the finished containers shipped. Pressed Steel Tank Company also uses U-S-S MAN-TEN steel in containers of other sizes with similar benefits—even

greater benefits when containers are shipped and reshipped frequently.

Savings like this in weight, in steel, and in shipping costs are typical of the benefits you can obtain by replacing ordinary steel with the proper grade of U-S-S High Strength Steels.

With these famous "steels that do more"—U-S-S MAN-TEN, U-S-S COR-TEN, and U-S-S TRU-TEN—practically every kind of equipment can be built lighter without reducing its durability, or its durability can be increased without increasing its weight. And you can do it with little change in shop methods and at minimum cost. For additional information, write United States Steel, Room 2807-F, 525 William Penn Place, Pittsburgh 30, Pa.

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U-S-S MAN-TEN High Strength Steel



2-3124

UNITED STATES STEEL



A BOON TO BUSY MEN

You find Remington Room Air Conditioners in offices of men who *must* keep sharp all the time. They work better, feel better, stay healthier because they breathe fresh, pure air.

The Remington Console is unsurpassed in performance and design. (It's one of only two makes that may be installed in Rockefeller Center.) It gives you, automatically, office climate as you like it—in any season. It brings in fresh air without drafts, banishes disturbing outside noise, cools the air in summer (at your option, it can warm it too). It filters out dust, dirt, pollen . . . from both ventilating and room air. It puts humidity control at your fingertips, and circulates room air.

The Remington Console can be installed quickly and without a mess. (No plumbing or drain connections are needed for air cooled models.) When you move, it can move with you. And it's a piece of furniture you'll be proud of. Perfect for your home, too.

Let us send a complete description of the 18 important advantages only the Remington Console Air Conditioner offers. Just drop us a note; we'll respond promptly.

Since 1937, Remington—with 64 years' experience in mechanical refrigeration—has been building room air conditioners for all sorts of climates. This experience, backed by a full warranty, means quality insurance for every one of the Remington console and window model air conditioners now available. They're proved in the Tropics.



isotopes. The reason is that while the radiation is similar, X-rays haven't taken on the sinister atom-bomb connotations that the isotopes have.

U. S. Steel uses reflected radiation from X-rays to check the thickness of tin plating. A sheet of tin plate is exposed to an X-ray beam. Some of the radiation passes through the tin and is reflected by the steel. A Geiger counter checks the amount of rays reflected. The rays absorbed by the tin indicate the thickness of the plating. Tin mills can use this process to make a simultaneous check on the plating on both sides of steel.

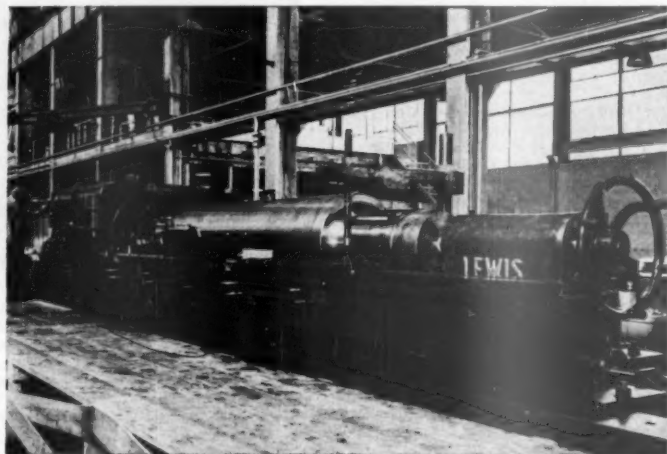
• **X-Ray Eyes**—Companies are also expanding their use of X-ray checking of metal parts. In most cases, a photographic film is exposed to X-rays passing through the item being tested, such as a large steel casting. Dark spots on the film show where flaws have let through too many rays.

The trouble with this method is that

it takes time to process the film. Some companies are trying to overcome this by using a Geiger counter or other detection device instead of film. If the experiments are successful, the technique can be applied on a continuous production-line basis.

• **Too Expensive**—One big problem the control-equipment business has to solve is expense. The industry's whole future may depend on what manufacturers can do to bring down costs. So far, no one has been able to develop any standard equipment. Each piece of equipment is tailor-made for one industry, and for one application within that industry.

In many cases, industry has not been scared off by the high cost; companies have found that resultant savings more than made up for it. But producers of control devices are fully aware that cost is the one thing that has kept their machines from being used by a lot of companies that would otherwise like to use them.



Hydraulics Give Machining the Modern Touch

A good place to get a look at all the latest time-saving devices in the steel business will be the new Fairless Works of United States Steel Co., now nearing completion at Morrisville, Pa. This week a 60-in. hydraulic lathe that's headed for Fairless was put on display by Blaw-Knox Co.'s Lewis Foundry & Machine Division, at Groveton, Pa. Its job: refinishing (or dressing) the big mill rolls that work white-hot steel into semifinished shapes. Development engineers figure it can do rough-machining jobs 75% faster than conventional lathes. Here are some of its features:

• The cutting tool digs into the metal part, or roll, with a hydraulic pressure of 1,000 psi.—considerably more than the conventional unit.

• The hydraulic system also acts as shock absorber, riding over hard spots that crop up in the metal. As a result, there's a lot less lost motion or broken tools.

• On standard lathes, you have to set and bolt the cutting tool for separate cuts. With this model, a hydraulic mechanism moves the cutting tool laterally along the roll, so there's no re-setting.

• Movement of the tail stock (the section that holds the roll in place), which with a manual roll lathe normally requires two men, is controlled here by hydraulic pressure.

You can use several cutting tools at the same time either side by side or at opposite ends of the roll.



Millions of horsepower without the horses

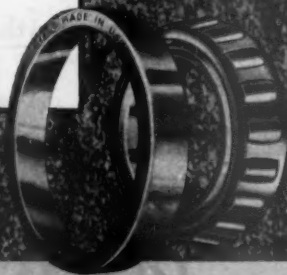
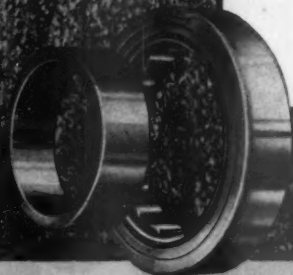
Land is tilled—seed is sown—crops are harvested and other farm chores are done faster, and cheaper with today's farm machinery.

When tractors first went to work on the farm, shortly after the turn of the century, Hyatt Roller Bearings were on the job. Now six million tractors and trucks have replaced horses.

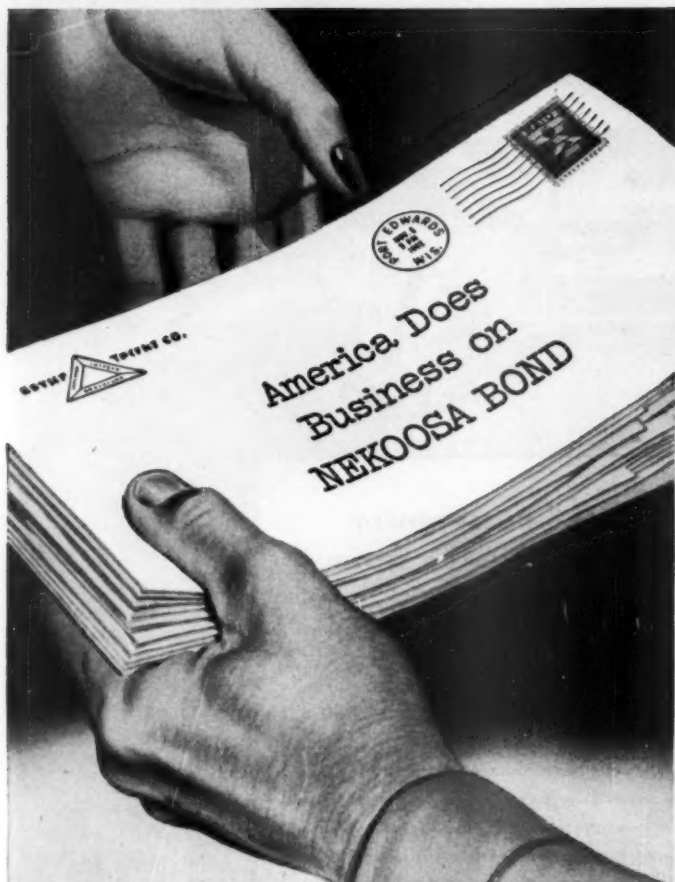
Hyatt better bearings are also built into combines, spreaders, pickers, balers, grain drills, spray-pumps and other farm equipment.

Leading manufacturers of mechanized farm equipment have had long and favorable experience with Hyatts, so they continue, year after year, to build in Hyatt Roller Bearings—insuring the user smoother, care-free service, longer machine life and more economical operation.

Hyatt Bearings Division
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HYATT ROLLER BEARINGS



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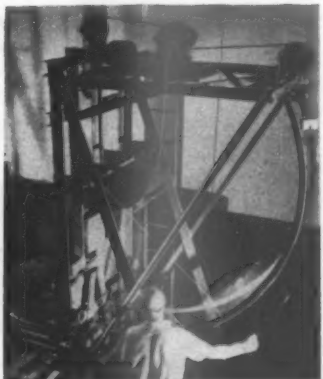
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IN FRONT LINES: It feels the shock and pounding of an artillery barrage up front.

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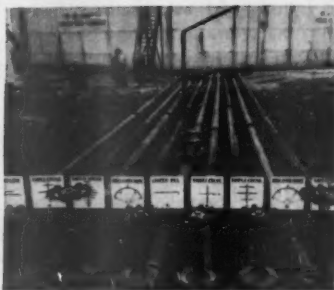
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*Sales offices in more than 500 cities, including: Atlanta, Georgia • Birmingham, Alabama • Charlotte, North Carolina • Chattanooga, Tennessee • Columbus, Ohio • Hartford, Connecticut • Indianapolis, Indiana • Jacksonville, Florida • Madison, Wisconsin • Memphis, Tennessee • Miami, Florida • Minneapolis, Minnesota • New York, New York • Norfolk, Virginia • Parkersburg, West Virginia • Pensacola, Florida • Sanford, Delaware





FIRE is lit. Socony-Vacuum officials touch off \$250,000 worth of oil, while . . .



FEED PIPES that service tank every day stand by for emergency duty as soon as . . .



COMPRESSED AIR valve is opened—that's Socony's way of . . .

Giving Refinery Fires the Air

This week in Paulsboro, N. J., hundreds of suspicious witnesses watched Socony-Vacuum Oil Co., Inc., commit arson.

Company officials climbed to the top of a huge Socony refinery tank and set fire to 2-million gal. of fuel oil. On the ground, plant manager E. L. Sinclair stood ready; with a twist of the wrist he opened a pipe valve. Compressed air rushed into the tank. Seconds later, poof, the fire was out.

How did they do it? That was the whole point of the demonstration. Socony-Vacuum set out to show safety officials and local fire fighters that air agitation, a method Socony-Vacuum has been pushing hard for some time, can bring an oil blaze under control quickly—and cheaply. It wants to prove to communities that they need not live in daily dread of a sudden fire raging out of control in a nearby storage area.

• **The Air Is Free**—Actually, it isn't often today that you see an oil fire blazing like the one above. Oil companies have become extremely safety-conscious, and communities by ordinance require that the most modern fire-fighting equipment be kept on tap at all times.

The danger has been pretty well eliminated. But all these safety measures cost money—and a lot of it.

Air agitation, on the other hand, costs a company practically nothing to operate and maintain. To feed compressed air into the tank, all you need are the cleaning lines, feed lines, and other pipes which are already there. You need an air compressor, but most companies already have that in their construction departments. The material you use is air; it's still free.

• **Upsetting**—In order for oil to burn, flammable-liquid vapors and air above the liquid have to be mixed in certain proportions. To stop the burning, you upset these proportions. Some methods reduce the air supply. Air agitation cuts the vapor concentration.

What it does is rearrange the contents of the tank, instead of smothering from on top. Compressed air is shot into the bottom of the tank, cool oil rolls up from the bottom and displaces the warm oil on top. The heavier the fuel, the easier it is to put out.

Agitation alone won't put out gasoline and some crude-oil blazes. But it does reduce the intensity, which makes

it much easier for fire fighters to put out the blaze by conventional methods, with simple equipment and much less material.

• **Speedy**—In the Paulsboro demonstration, Socony-Vacuum lit the fire three times, to show various ways in which air agitation could be used. Times it took to put out the fires ranged from 45 seconds to slightly over two minutes. That's fast by any standards. But since other methods—inert gas and foam—work fast, too, the company considers the cost element more important.

That's the point Socony-Vacuum has been trying to drive home for years. The air agitation method was pioneered in the 1920s by L. B. Van Leuven of Vacuum Oil Co., which merged in 1931 with Standard Oil Co. to form Socony-Vacuum. In recent years Joe L. Reisinger, in charge of safety and fire protection for the company, has pushed the idea.

The company has staged a number of demonstrations, but they were puny compared with the Paulsboro show. This was the first time the company had risked sending \$250,000 worth of fuel oil up in smoke.

Woodchipper

Processing plant turns raw wood into dry pulp.

SULFITE

Pulp to make paper

**LEFT OVER
SULFITE
THIS IS
THE
PROBLEM**

**You can
drop it
in
the river**

**But that's
unpopular...
...so instead, you can**

Burn and evaporate the waste liquor. The steam that comes from this step is either returned to the evaporator or fed to the processing plant.

or

Sell the liquor--with-out treatment for these uses: Binder for coal briquets and road-building materials, fertilizers, plastics, tanning, soap.

or

Convert the liquor into a yeast product for animal feeds.

or

Extract lignin, a kind of alcohol, from the liquor. The end applications are: Vanillin, oil well drilling muds, dispersing agents, ceramics, dyes, insecticides.

Wisconsin...

... pulp makers gang up to beat the pollution problem. They're getting yeast, chemicals from waste.

When you turn wood into pulp for paper, only half the log emerges as wood pulp. The rest is waste—a conglomerate of lignin (essentially the binder that holds the wood fibers together), wood sugars, chemicals used in the pulping process, and a lot of water.

Traditionally, mills dump this waste into the nearest river or lake. But that exhausts the oxygen in the water, killing or driving out the fish. As a result, anti-pollution drives are frequently stirred up.

In Wisconsin—a paradise for pulp mills and fishermen—a group of big mills banded together years ago to try to end pollution. Last week one member of the group put into operation a process that is considered the longest step so far toward optimum abatement of pollution. The Rhinelander (Wis.) Paper Co. diverted its waste from the Wisconsin River into special evaporators. The concentrated "liquor" from these evaporators will be sold as a chemical raw material or burned as a fuel. And further markets will be explored.

• **Research League**—Seeds for the Rhinelander development were sowed in 1939, when a dozen companies, operating 13 pulp mills in Wisconsin and one in Michigan, ganged up to form the Sulphite Pulp Mfrs. Research League, Inc. The companies involved account for two-thirds of Wisconsin pulp; the sulfite process they use is the worst pollution offender. The state was showing signs of enforcing its 25-year-old law against fish-destroying pollution, and the league's object was to find a feasible solution.

Researchers quickly established that conventional disposal methods wouldn't work. Looking for something new, they found, in the early 1940s, that a special strain of yeast organism would feed on the types of sugar found in the waste liquor. Since sugar is the worst oxygen consumer in the waste, this looked promising.

By 1948 members put up \$500,000 for the Lake States Yeast Corp.; a commercial plant was built at Rhinelander. The plant was fed spent liquor from Rhinelander Paper. Its Torula process eliminated 60% to 70% of the offending material, and produced a dried yeast suitable for enriching animal feed.

• **How to Sell It?**—Marketing the Torula yeast was a problem; it had to compete with brewers' yeast. Demand and prices were unstable. Finally the league



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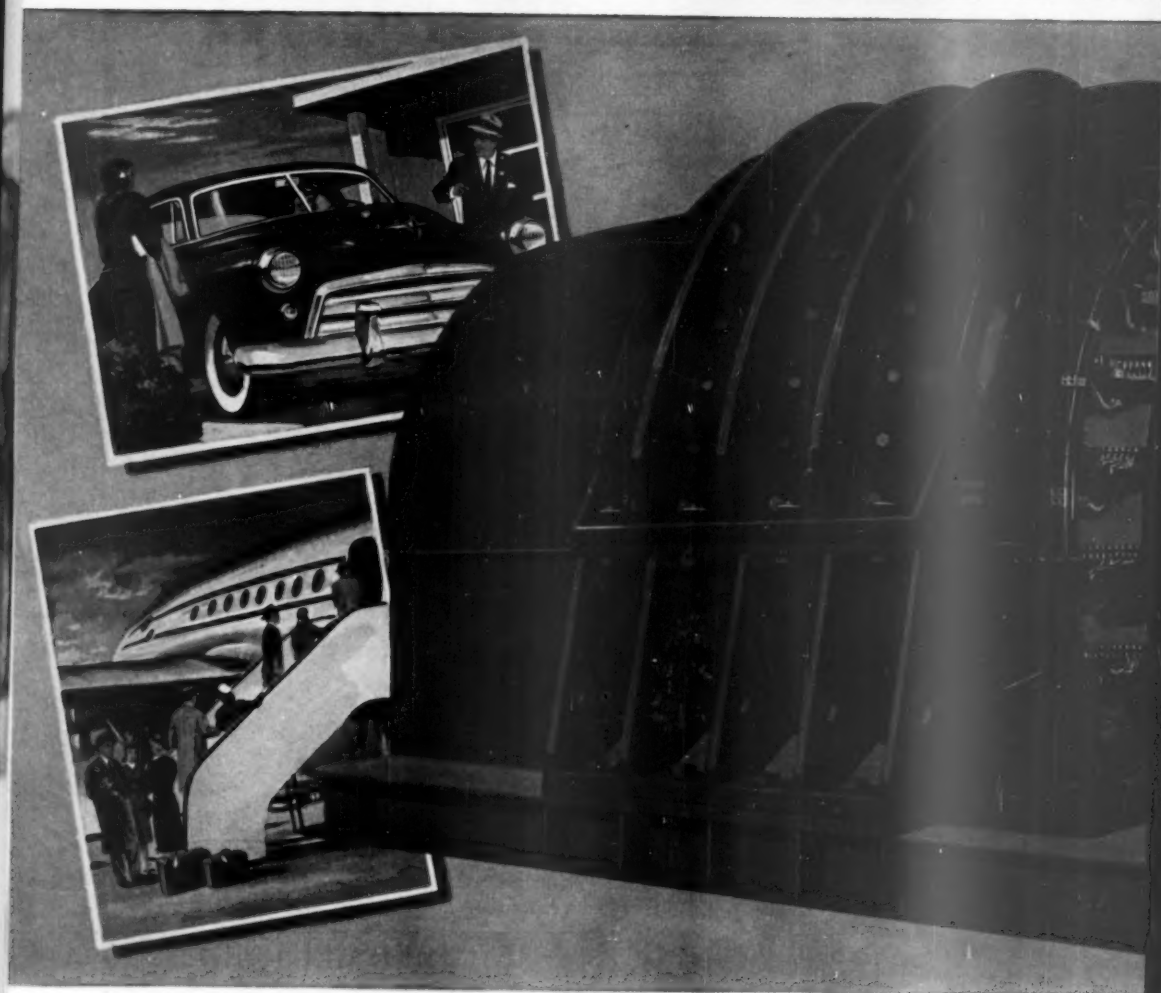
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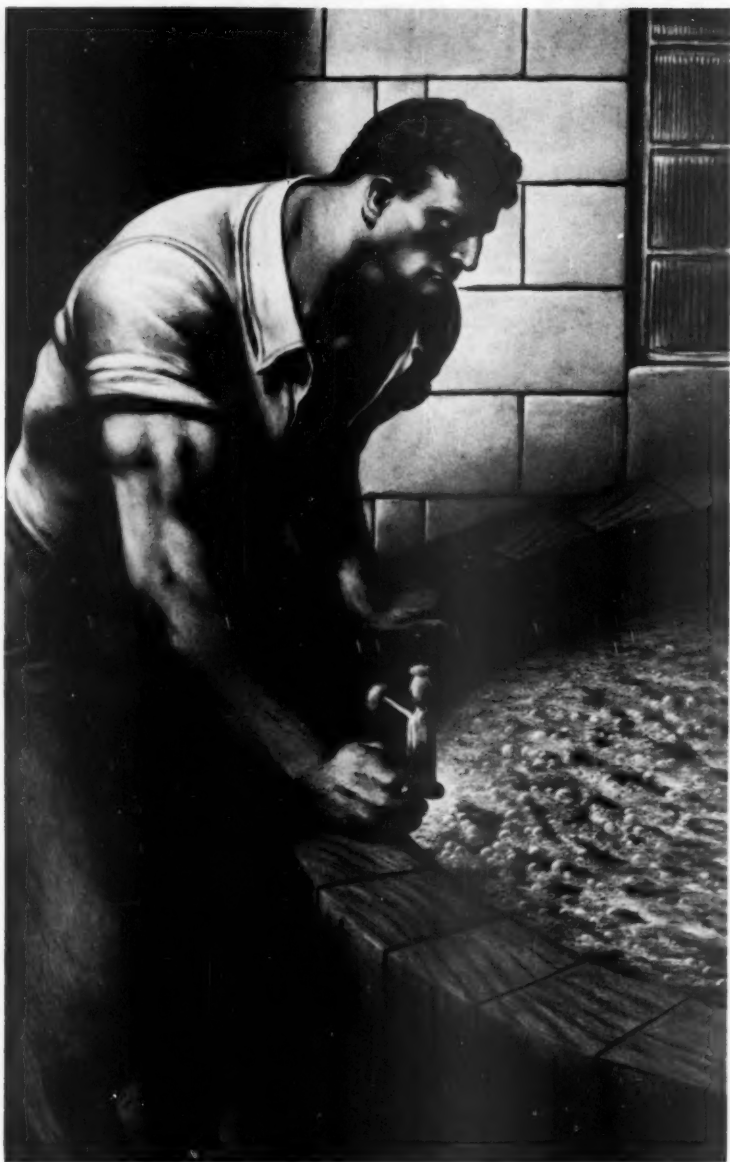
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The yeast he guards is twice his age

To a whiskey maker, yeast is liquid gold. It is the vital ingredient in fermenting fine whiskey.

Nearly sixty years ago, there was developed a perfect "strain" of yeast. Down through the years, skilled hands at Schenley have kept it absolutely pure, guarded under lock and key. Today, Schenley still grows billions and billions of yeast cells from this original strain—all as perfect as the first pure cell back in the 1890's.

From that first cell grew the yeast in the flask the man is holding. And from the yeast in the tiny flask came the millions of cells in the giant tub he is watching.

Schenley's use of the best yeast . . . the finest grains . . . the purest water . . . is part of the complete network of quality controls which guard Schenley whiskeys from the time the grain is grown till, years later, the whiskey is in your glass.

Thus, Schenley makes certain that you get the utmost enjoyment in every drop of every drink. *Schenley Distillers, Inc., N. Y. C. ©192*



Nature's
unhurried goodness

+

S

Schenley's
unmatched skill

=



The best-tasting
whiskies in ages

SCHENLEY

"... Rhinelander is groping for suitable markets, with league research indicating various possibilities ..."

SULFITE Starts on p. 70

decided that one company could best cope with the marketing problem. Rhinelander bought out the plant, though research knowledge still belongs to all members alike. Incidentally, the plant has been modestly in the black for the past 12 months.

• **What's Left**—The yeast method, however, has two massive drawbacks:

• The market for Torula yeast is too limited to absorb the product of all the mills.

• A considerable amount of waste is left after the yeast process.

League researchers for years tried to find a way to concentrate the spent liquor. Conventional evaporators wouldn't work because calcium sulfite accumulated on the metal faces, clogging the equipment. After the war the league heard of a Swedish evaporator that didn't clog.

This evaporator used a series of flat stainless steel plates, comprising the heat exchanger surfaces. Spent liquor and steam were run through alternate sections, with the liquor on one side and steam on the other. When calcium scale began to accumulate, the flow was switched and the steam scoured off the lime deposits.

The league acquired a pilot model of the Swedish evaporator and found that, with some improvements, it would do their job.

• **State Acts**—Meanwhile, in 1948, the Wisconsin legislature had prodded its state Committee on Water Pollution to action. Deadlines were set for mills and other industries to clean up. Generally, they were given one year for cooking up a plan, and one year to put it into effect.

Rhinelander Paper has been the first to react. Despite Korea-caused troubles in getting stainless steel, it has put its evaporator into action ahead of the state deadline. Other mills are expected to follow suit, though the state will probably grant them extensions.

In the Rhinelander setup, the evaporator takes desugared liquor from the yeast plant and concentrates it to a 50% solids solution. This entails the evaporation of 6 lb. of water for every 1 lb. of 50% solution.

Some of the concentrate will be dried and bagged for sale. Rhinelander is groping for suitable markets, with league research indicating various possibilities.

Adhesive. Eastern paper makers are already selling some concentrate to manufacturers of linoleum cement; it can

**profits
come out of
this close-
tolerance
tubing**



Substantial savings are available to manufacturers who make ring-shaped and cylindrical parts of steel and certain non-ferrous metals. Machine-production of such parts has been doubled, total costs cut in half, and tonnage of steel purchased—in the form of tubing—reduced by some fifty per cent. All because Rockrite Tubing is sized by a totally different method—to dimensional accuracy very much closer than that considered standard.

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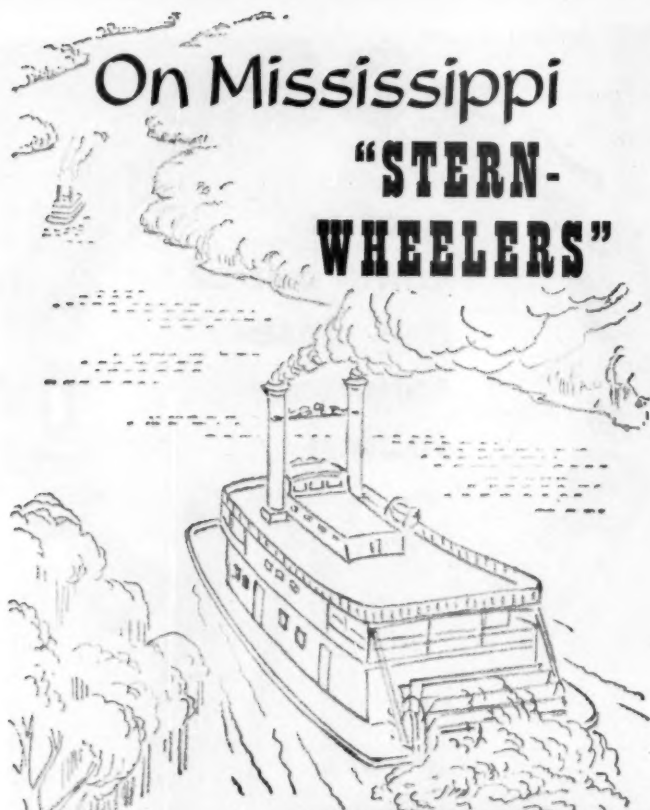
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Manzel

**FORCE FEED
LUBRICATION**

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also be used on gummed paper tape. Rhinelander has some customers lined up.

Dispersing agent. Possible markets include makers of Portland cement, concrete mixers, tanners. The rubber industry might use it for dispensing carbon black through rubber products.

Fuel. The 50% concentrate has a heat value of about 7,000 Btu. per lb.

Briquetting. Because of its adhesive and burning qualities, the concentrate can be used in briquetting coal. Experiments are also being carried on to see if it can be used in pelletizing taconite iron (BW—Dec. 29 '51, p. 28).

Chemicals. The concentrate contains lignin, from which the organic chemist can derive many other products, including vanillin.

Besides the Rhinelander developments, Marathon Corp.—a member of the league, has carried on independent research in both lignin, and in the use of sulfite liquor as a road binder. Other mills with projects definitely under way include:

Consolidated Water Power & Paper Co., which is spending \$2-million on an evaporator and related facilities at Appleton, Wis.

Northern Paper Mills, Green Bay, which is putting in an evaporator.

Hoberg Paper Mills, Inc., Green Bay, which is planning a yeast plant.

PRODUCTION BRIEFS

By shooting protons at metals, a new machine developed by Stanford Research Institute analyzes the metals' properties and surface behaviors. It can detect an element in an amount weighing only one-millionth of one-millionth of a gram. In the new analyzer, protons travel at lesser speeds than in at atom smasher, bounce off the atoms without changing their atomic structure.

Compressed air can be used to recover oil from unproductive wells. The new pressure method is being put through its paces on an oilfield near Osawatimic, Kan., by inventor Ralph Spearow. Anticipated volume of oil production per acre is from three to 10 times that of a water-drive or other form of secondary recovery.

Reversible power units—combination pumps and turbines—seem to be coming into favor. Contract for the largest unit to date has just been let to Allis-Chalmers Mfg. Co. for Hiwassee Dam (TVA) in western North Carolina. When operated as a turbine, the unit produces electricity. When operated as a pump, it lifts water from the downstream basin into the reservoir behind the dam.



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Our new product is *Ultrafine*—a thermal and acoustical insulation of extremely fine, blown glass fibers.

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And the nice thing is that you can now get it in any form that lends itself best to your operation—

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- in blanketlike rolls in widths of 18" to 72", plain or with a choice of 5 facings (some vapor barriers).
- by the carload from the factory, or "by the yard" from Gustin-Bacon distributors in 68 cities.

Delivery service? You name it. Over half a million square feet of manufacturing plant and Gustin-Bacon's 54-year reputation for service to American industry are your assurance of delivery when and where you need *Ultrafine*.

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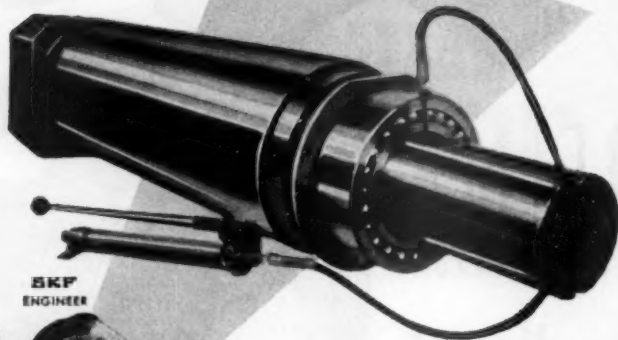
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they put the "pressure"
on a bearing problem

Anti-friction bearings in metal mills are unequalled for performance and accuracy—especially if they are mounted with a tight fit on the shaft. The trouble used to be that such bearings were hard and costly to remove and service.

Not so today. SKF engineers developed the first hydraulic removal system in 1942. With a small pump, you force oil between the shaft and the bearing. Pressure breaks the fit. The bearing slides off quickly and easily, safe from damage to bearing or equipment. The same system eliminates the need for driving the tapered bore bearing on the shaft, or heating it to obtain a shrink fit.

Mill designers are applying this SKF "first" to more and more machines, to give their customers its acknowledged benefits.

Machine designers in every industry depend on this SKF teamwork—expect from SKF not just bearings, but engineering help that puts the right bearing in the right place.

SKF INDUSTRIES, INC., PHILADELPHIA 32, PA.
—manufacturers of SKF and HESS-BRIGHT bearings.



SKF
BALL AND ROLLER BEARINGS

NEW PRODUCTS



Wallboard for Amateurs

Wallboard manufacturers have been trying to make things easier for the fast-growing do-it-yourself market. U.S. Gypsum Co. is introducing Sheetrock panels 16 in. wide, $\frac{1}{2}$ in. thick, and 8 ft., 9 ft., and 10 ft. long. USG says it goes up faster than wall paper.

An adhesive is put on the back in three parallel ridges (picture). The panel is then applied against an old wall or regular Sheetrock panels. The ridges stand out far enough to overcome any slight irregularities in the wall surface.

The narrow panels don't have to be treated at the joints. They're available in plain, knotty pine, or Neutraltone Striated Panel designs. USG says they're fire-resistant, strong, easy to apply even in hard-to-get-at corners.

• Source: U. S. Gypsum Co., 300 W. Adams St., Chicago 6, Ill.

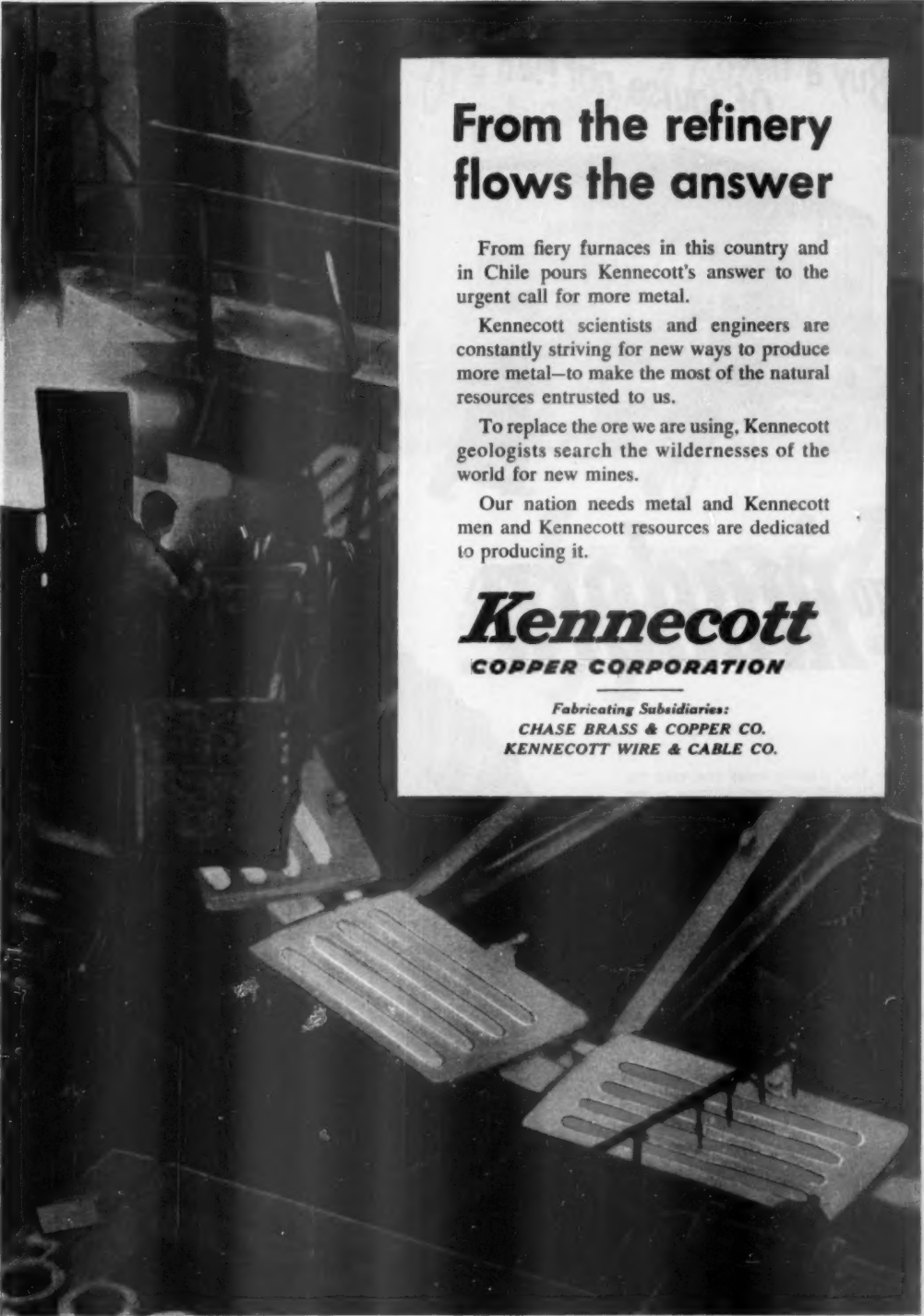
A Souped-Up Diesel

In the past year there has been a slowdown in the heavy buying of diesel locomotives that has marked postwar railroading. Partly, this has been because demand is becoming satisfied; partly, it has been due to the railroads' desire for units more powerful than have been available.

This week Fairbanks, Morse & Co. announced an attempt to fill this power gap. First of the company's new Train Master diesels will be completed early in 1953. The Train Master develops 2,400 hp., compared with the 1,500 to 1,600 hp. that has been standard.

The 6-motor, 6-axle locomotive has a fuel capacity of 1,800 gal., half again more than any other job. The manufacturer claims that its high tractive power will give it a 50% edge over the 1,600-hp. models in the length of train it can haul up a given grade. A special brake gives greater control on downgrades.

The Train Master, and the 2,000-hp. units that have also been developed,



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From fiery furnaces in this country and in Chile pours Kennecott's answer to the urgent call for more metal.

Kennecott scientists and engineers are constantly striving for new ways to produce more metal—to make the most of the natural resources entrusted to us.

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Kennecott
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Buy a truck without a starter?
Of course not!...



go modern..

When you buy a truck today you take for granted such modern improvements as the self-starter. But don't take *too much* for granted! Make sure the trucks you buy are equipped with modern, cost-cutting Timken-Detroit Hypoid gearing! No other heavy-duty axle gearing gives you so much day-to-day ruggedness and dependability with so little maintenance cost.

Designed, engineered and produced for heavy-duty motor vehicles by Timken-Detroit, Hypoid gearing has been *proved* by billions of miles of trouble-free, on-the-job operation. Moreover, this modern axle gearing steps up performance—provides plenty of strength and power both on the highway and off.

The next time you buy trucks look for, and insist on, the mark of a *modern* truck—Hypoid gearing! It's available on all trucks with Timken-Detroit Axles and Brakes.

TIMKEN
Detroit
AXLES

A PRODUCT OF THE TIMKEN-DETROIT AXLE COMPANY
DETROIT 32, MICHIGAN

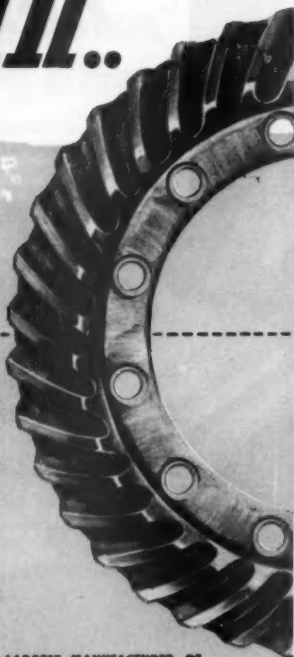


WORLD'S LARGEST MANUFACTURER OF
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seek to eliminate a high-cost factor in railroading. With the lower-powered units, it has been customary to hook several locomotives together to handle the heavier jobs. This is expensive in both initial cost and maintenance.

• Source: Fairbanks, Morse & Co.,
Fairbanks-Morse Bldg., Chicago 5, Ill.
• Price: About \$218,000.



Barnyard Electronics

Cattlemen have been looking around for years for a self-contained automatic unit to supply water for livestock—one that can function in any kind of weather and stand up under rough outdoor use. Few jobs are colder than filling a water trough on a subzero morning. But that isn't all. Milk and beef production is as much as 10% higher when water is plentiful and warm (50°F). In addition, farmers can get by with use of more low-cost dry feeds.

Electronics has now come to the aid of cattlemen with the development of the Stok-Fount (picture). It consists of a steel cabinet, a thermostatically controlled heating strip, plumbing, and wiring connections. It's insulated throughout with Owens-Corning Fiberglas Aerocor. All the cattleman has to do is set the thermostat and forget about stock watering, even in freezing weather.

Standard units serve from 100 to 150 cattle, 100 hogs, or 1,000 sheep. The manufacturer, International Electric Fence Co., Inc., will build a custom-made job for larger cattle operations. Standard models operate on 115 volts.

• Source: International Electric Fence Co., Inc., Caldwell, Idaho.
• Price: \$69.50 to \$139.50.

Reducing Down Time

Down time is vital in all machine-tool work. Some manufacturers figure it clear down to seconds. Anything to fill the gaps in the flow of work will be considered.

With this in mind, New Britain Machine Co. has come up with a new con-

cept in cut-off tools. The cutting blade is semicircular rather than straight. It is sheathed in a semicircular metal envelope. The blade or inner disc can be rotated within the sheath so that only a small cutting edge protrudes at one time. When this edge is worn away by cutting, the inner disc is moved again to produce more cutting edge. In this way you can use up practically the entire blade.

The beauty of the curved blade is that there is no worry about getting the edge lined up after resharpening. The sheath does all that for you. All you have to do is loosen a screw passing through the center of the cutting blade and sheath and move the inner blade to the next position. This reduces down time, makes resetting very simple. The new holder can be substituted for the conventional straight-blade holder in most screw machines up to 1½-in. capacity.

• Source: Cir-Cut Tool Div., New Britain Machine Co., New Britain, Conn.

NEW PRODUCTS BRIEFS

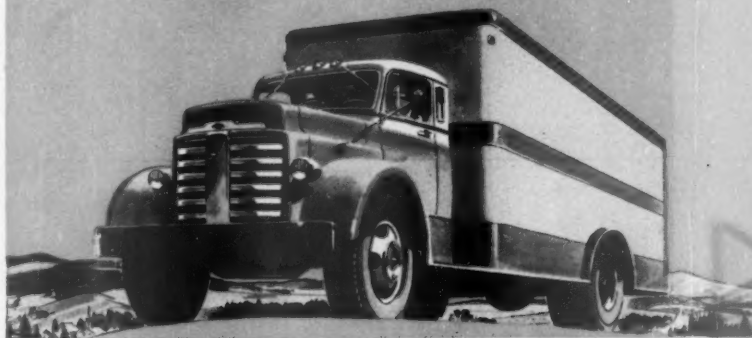
Weavtex, a cloth reproduction made of polyvinyl chloride, has been introduced by Clopay Corp., 1215 Clopay Sq., Cincinnati 14, Ohio. Unlike ordinary plastic drapery materials, the new product has no gloss or sheen on either side. Clopay says it's almost as soft and drapable as cloth; it doesn't crush, edges don't curl.

Fabricolor, a new water-thinned textile paint, was introduced this week by Ar-tone Color Corp., 21 W. 3rd St., New York, N. Y. Colors can be applied to cottons, linens, acetates, silks, and other fabrics to make hand-painted fabrics. Do-it-yourself sets are available in four sizes, ranging from \$2 to \$4.

Press-I-Cell, an instrument that can measure pressure with minute accuracy, has been developed by Fischer & Porter Co., Hatboro, Pa. The instrument will probably find uses as a master calibrating device in laboratories, a liquid-level gauge in large storage tanks, a precision measure of altitude or barometric pressure. It is small (5-in. diameter, 14-in. length), portable, temperature-stable, and unaffected by vibration or mounting position.

Paper bed sheets, highly absorbent on one side and waterproof on the other, have been developed by Brown-Bridge Mills, Inc., Troy, Ohio. They were originally developed as low-priced, disposable replacements for rubber sheets. They are odorless, do not rustle, stay in place well, and absorb perspiration.

...Or a modern truck without Hypoid axle gearing? Certainly not!



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The offset Hypoid pinion is bigger and stronger. Bearings are bigger. More teeth are in contact, reducing loading per unit of contact area. Torque-transmitting capacity is increased. Slower gear ratios are practical without loss of strength.

Only Timken-Detroit offers Hypoid gearing in all three types of final drives...

single-reduction,
double-reduction, and
two-speed double-reduction
—in a complete range
of capacities.

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CANADA

A U.S. Company Spreads Northward



THE TEAM Chief scouts for Hooker Electrochemical's Canadian project were Donald L. Taylor (left) and vice-president J. H. Babcock.

From: Hooker Electrochemical Co.
Niagara Falls, New York
September 27, 1952

Formation of a new Hooker subsidiary, Hooker Chemicals, Limited, a British Columbia corporation, has been announced by R L Murray, president of Hooker Electrochemical Company, Niagara Falls, New York. The new company is acquiring a plant site of approximately 60 acres on Burrard Inlet in the District of North Vancouver, B.C. . . . The site will provide for the future manufacture of Hooker chemicals in this area. No definite plans have been made as to date or details of construction of this plant.

THE RESULT

Years of study, inquiry, and thinking lay behind this release describing Hooker's future plan for a Canadian plant.

Hooker Electrochemical's carefully planned expansion is a case study for moving into Canada.

Robert Lindley Murray (cover), president of Hooker Electrochemical Co., Niagara Falls, N. Y., is a cautious man.

So are his Hooker associates. What went into their decision to form a subsidiary in Canada, and to buy a plant site, makes a case study of a question a lot of businessmen are brooding over right now. It was compounded of careful research, advice from friends in U. S. and Canadian business, plenty of travel time, plenty of soul-searching. All that—plus bullishness on western Canada's economic future.

A lot of midnight oil went into the process. A good share of it was consumed in Hooker's development and research building by the men at left—Donald L. Taylor (left), manager of general developments, and his boss, J. H. Babcock, vice-president in charge of research and development. Murray had detailed them to decide whether the move was feasible, and, if it was, to pick a plant site.

More and more U.S. businessmen are finding themselves in Babcock's and Taylor's shoes. Almost daily, it seems, there are announcements that one company or another is setting up shop in Canada. Behind each announcement is a lot of legwork, a lot of top-level management decisions.

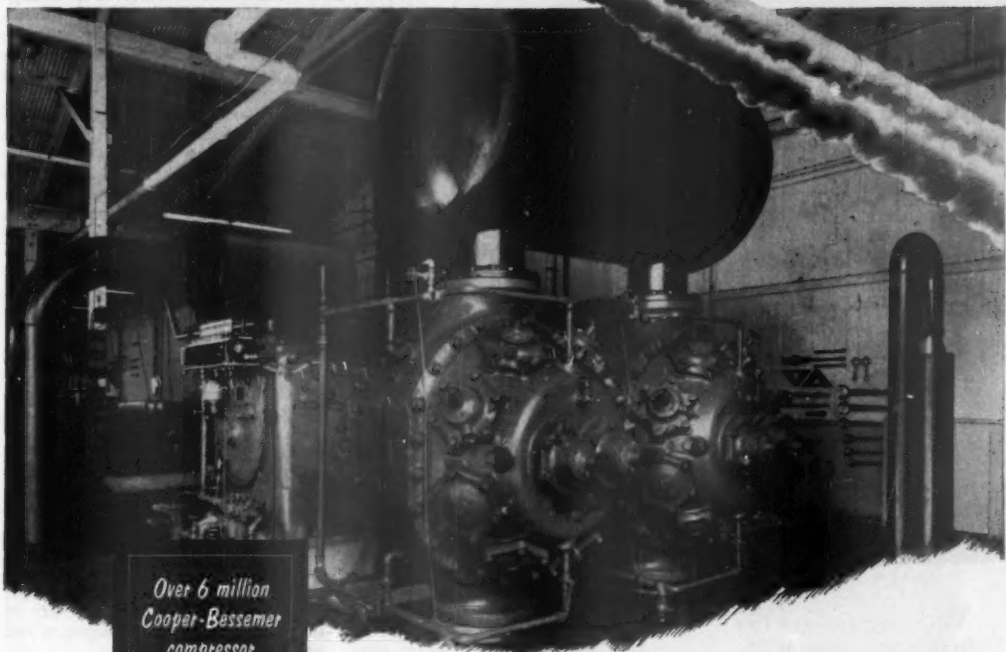
I. An Anchor to Windward

Murray likes to think of Hooker's new Canadian subsidiary as "a look to the future." He says Hooker doesn't know when it will begin work on a plant there—perhaps not for five years. The idea, rather, is to have an "anchor to windward" in Canada, to be on the ground floor when the market for Hooker products justifies the plant.

Hooker has been interested in Canada—especially its West Coast—for years. Back in 1939 the company ran a preliminary survey of the Vancouver area; Hooker's West Coast sales department has had an eye peeled on industrial development there ever since. In fact, it has been Hooker's western crew that has kept needling the Niagara Falls headquarters to get busy on a Canadian project.

It's a natural attraction. Many of Hooker's chemicals—caustic soda, chlorine, plus a mounting list of derivatives

Latest type Cooper-Bessemer 1500 hp opposed-action air compressor, installed in Boeing's Research Laboratory, Seattle. Capacity is automatically, accurately controlled at any discharge pressure up to 295 psig.



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The latest Cooper-Bessemer compressor developments offer new advantages, new economies to plants everywhere . . . wherever air is a tool. For example, modern opposed-action design means greater space-saving compactness, vibration-free operation, higher efficiency, and longer life with less maintenance.

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"...he's convinced that the company is in the midst of a great growth era..."

HOOKER starts on p. 82

—are used in the pulp and paper industry. British Columbia's pulp industry is working on a \$300-million-plus expansion. Then there are oil refineries that use some Hooker products, some soap makers, some smaller forest products firms. The BC economy is growing —and diversifying. When Alberta oil and natural gas begin flowing through Vancouver, Hooker believes new industry will flock in.

• **Growth Era**—Hooker itself has been in an expansive mood since the war; Murray is convinced that the company is in the midst of a great "growth era." Prewar, Hooker sales of caustic-chlorine were rocking along at about \$5-million yearly. Then the war carried them to close to \$20-million. By 1950 sales were at \$27.5-million. Hooker had its greatest year in 1951: Sales jumped 42% to almost \$40-million.

Plant expansion is moving fast, too. Hooker is adding to its Niagara Falls setup, is busy with a major expansion at Tacoma. A \$12-million plant is going up at Montague, Mich. By 1954 Hooker will be a \$60-million outfit in terms of plant and equipment, perhaps fourth in the nation in chlorine production (Dow Chemical Co., Columbia Southern, Diamond Alkali will be bigger). Murray feels he'll be able to keep that installation, plus an eventual Canadian plant, busy supplying the ever-growing market for chlorine.

II. Memo to Management

In January, 1951, Don Taylor memoed his superior, J. H. Babcock, about Canada. He had been reading some reports on business there (one in *BUSINESS WEEK*), which started him thinking about Hooker's possibilities. In the memo he talked of Canada's resources, its favorable tax outlook. He mentioned Hooker's already "sizeable stake" in the British Columbia caustic-chlorine market. He raised the point that, if present growth continues, Hooker will be a \$100-million company before too many years—well able to risk some expansion money in Canada, even Latin America.

By April, Hooker's western sales people reported on the Tacoma plant expansion, estimated chlorine-caustic demand through 1955, urged serious consideration of a British Columbia plant. The western staff warned that Hooker had better protect its competitive position there before someone else moved in.

The same month, Murray acted. He told Babcock and Taylor to get busy on a survey of British Columbia—with an eye toward a possible plant.

By this time, reasons for looking into Canada in general, and BC in particular, were beginning to crystallize in Taylor's and Babcock's minds:

- BC was the logical spot. Although Hooker had some sales in industrial eastern Canada, most of the market was in the hands of Canadian firms. BC, on the other hand, didn't have a caustic-chlorine plant.

- Good customers were there, like Columbia Cellulose Co. (a Celanese Corp. of America affiliate) and MacMillan-Bloedel, Ltd., a huge Canadian forest products outfit. Both required substantial tonnages of Hooker products. Other pulp and paper firms were expanding fast.

- BC customers were being supplied by barge from Tacoma. There was the Canadian duty to contend with, also freight rates.

- Power, an essential ingredient in Hooker's electrolytic process, was there—cheap and abundant. There was deep water transport. Lots of oil and natural gas would soon be coming from Alberta.

Taylor realized that BC's economic growth wasn't foolproof. Its economy was especially sensitive to world trade trends; much of its forest industry was heavily dependent on export. Trade restrictions, import cuts in markets like the British Commonwealth have hurt badly. But, then again, diversity of BC's products, already beginning, would brake trade swings.

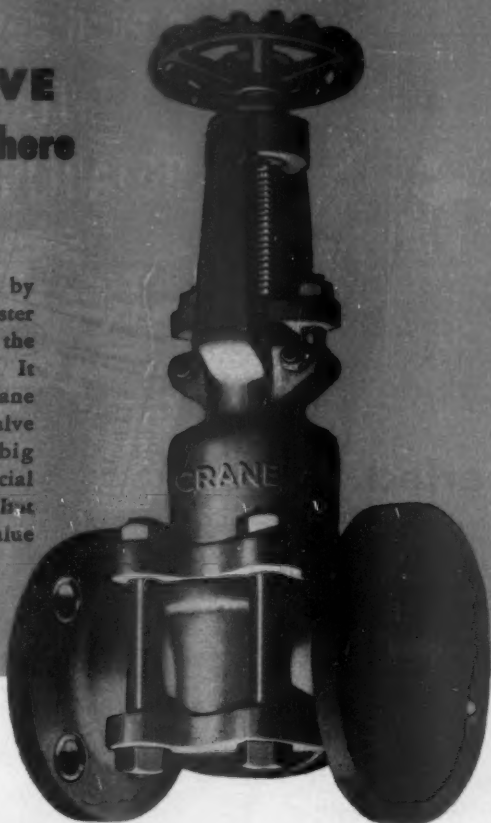
- **Fruitful Junket**—While Taylor was mulling, other Hooker people were partying—in Canada. In June, 1951, R. W. Hooker, sales vice-president, and A. H. Hooker, western sales manager, joined Columbia Cellulose on a junket to Columbia's new plant at Prince Rupert, B. C. About 100 other business, government, and financial men went along. The Hookers came back glowing—and with a host of new contacts.

By this time, Taylor was ready to make an on-the-ground survey of his own. But complications arising out of Hooker's purchase of property in Michigan held him in the U. S. He and Babcock decided to put off the trip until early 1952.

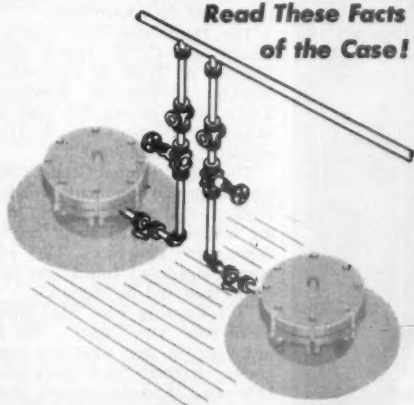
Meanwhile, Taylor and D. A. Rordan, Hooker treasurer, buttonholed some of the brass at Carborundum Co., neighbors in Niagara Falls who already had a Canadian affiliate. They told Hooker about Canadian taxation, depreciation allowances, import duties, money transfer (Canada still had exchange controls at the time). From Carborundum, Hooker got a thorough briefing on the general tenor of doing

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Where Installed: In gas relief lines on sulphate pulp digesters in a large southern paper mill. Valves normally throttle gas flow, under pressure.

Trouble Encountered: Various valves formerly used were severely corroded by the sulphate vapors. Gave constant trouble with leakage and difficult operation. Repair and replacement costs were excessively high.



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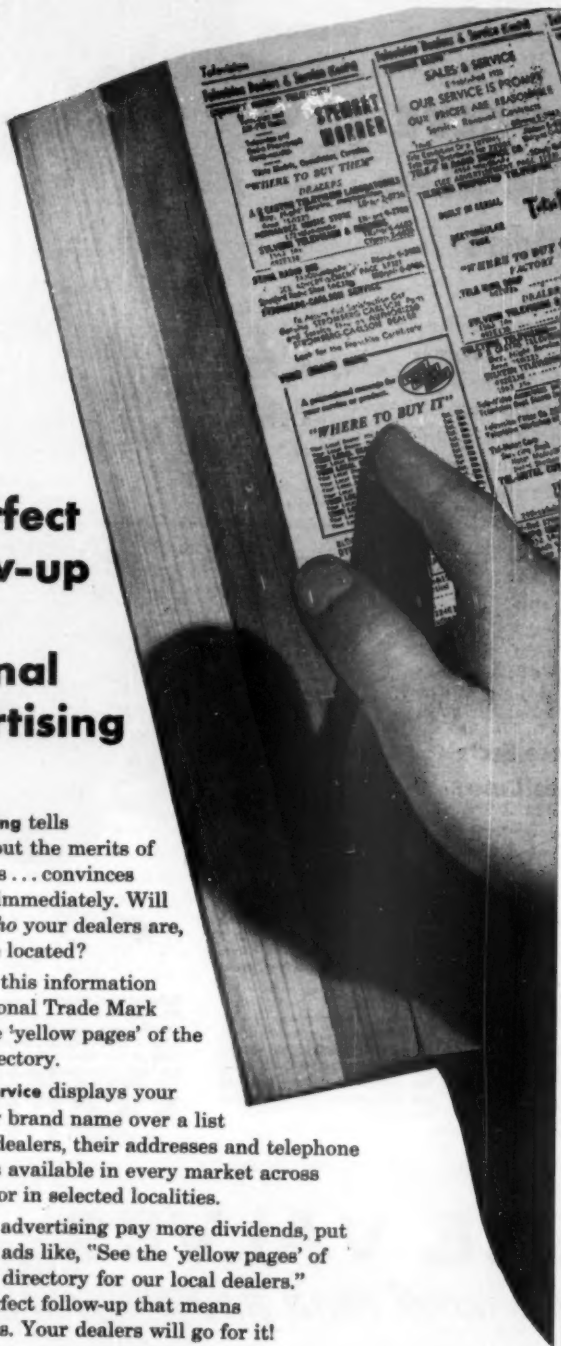
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business in Canada. Taylor recalls that Carborundum was "pretty enthusiastic, too."

III. Still Percolating

November, 1951, brought a change of plans. Murray and his men decided that a BC market large enough to justify a plant couldn't be developed for several years. It was decided to further expand Tacoma and supply BC customers from there—for the time being, at least.

Canadian plans kept percolating though. An emissary from British Columbia arrived in Niagara Falls—Howard Walters, general sales manager of British Columbia Electric Railway Co., Ltd. As they look back, Hooker executives think that Walters and BC Railway gave them as much, perhaps more, help than anyone else in getting acclimated to BC and selecting a site.

Walters told Taylor that BC is keeping well ahead of power demand. Power in the Vancouver area was as cheap or cheaper than anywhere in the U.S. Walters brought a raft of other information, suggested five plant sites.

In February, 1952, R. W. Hooker, Babcock, and Taylor headed for New York for a session with friends in Celanese Corp. who knew the BC ropes firsthand. Celanese advised Hooker to form a BC corporation, suggested key people to see in Ottawa and the provincial government.

• **The Head Man**—The man to see, clearly, was C. D. Howe, Canada's Minister of Trade & Commerce and Minister of Defense. Babcock and Taylor made the trek, this time accompanied by Bjarne Klausen, Hooker's executive vice-president.

The envoys wanted Ottawa's blessing for a Canadian subsidiary; wondered if Hooker could get federal help in securing materials; asked about accelerated depreciation allowances. They left Ottawa completely satisfied after the talk with Howe and his deputies.

"It's amazing how Mr. Howe receives you," says Taylor. "He knows just who you are, what you want—he knows everybody in Canada who can help you." Klausen remarks that "we didn't even take a lawyer with us—can you imagine that in Washington?" Babcock sums it up: "You've got to talk with Howe if you want to do business in Canada."

• **On the Spot**—Time had come for Taylor to make his on-the-ground survey in British Columbia. For two weeks in March and April of this year, he called on banks, government departments, lawyers, newspapers, oil companies, power companies, pulp and paper officials, railroaders, realtors, insurance men, engineers and contractors. His list of questions had been con-

tributed by almost everyone at Hooker. What about local taxes and ordinances? How are the building codes figured? What about waste disposal, plant sites, construction and operating costs of an electrolytic plant?

Taylor knew that a prospective site should offer:

- At least 60 acres of land—on a deep water channel where a dock could be built. A railroad spur was necessary, too.

- Ample power. A labor pool nearby would be helpful.

- The site must have good foundations for heavy buildings.

Taylor looked over a half-dozen sites. Some were on Vancouver Island. But the island was isolated, labor and building costs were higher than on the mainland, railheads had to be linked by barge. On the mainland, some sites along the Fraser River had weak foundations. Finally, Burrard Inlet, in the District of North Vancouver, looked the most inviting.

The best-looking site on Burrard was mostly owned by the city of North Vancouver. Taylor dealt directly with officials on the city-owned lots, a local realtor dickered with the private owners.

- **Legal Work**—By April Taylor had an option on the site. Legal talent was at work on incorporation of a subsidiary.

As for labor, it isn't a big cost factor in Hooker's processes. Hundreds of chlorine cells can perk away without any human present. Taylor says Vancouver wages may be as much as 10% below similar U.S. scales. But that is just about offset by higher sales taxes (3% provincial, 10% federal). Transport problems were solved when Canadian National Railways got a go-ahead from North Vancouver for a development that will bring a CNR spur right through Hooker's back yard.

Preliminary estimates showed that building costs wouldn't be any cheaper than in many areas of the U.S.

Over-all, Taylor had two reactions:

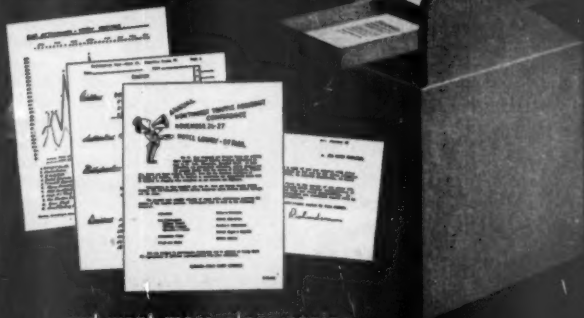
- Vancouver will probably become an important industrial area; he's sure Hooker ought to be in on the ground floor.

- Businessmen and government people there are easy to deal with—they couldn't have been easier."

In June Babcock and Taylor handed in their report to Murray and board chairman E. R. Bartlett. The same month, the directors gave Murray a green light to buy the site and set up a Canadian company. By late September Murray visited the site himself, and the deal was clinched.

The incorporation of Hooker Chemicals, Ltd., was one of the easiest parts of all. Hooker's Vancouver lawyer, also a director of the new company, had it set up in a few days. Hooker of Canada was launched.

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arch add up to perfect support, protection
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Zeller's, Grant Join in What May Be a Trend

What looks like a trend is showing up in retailing in Canada. Earlier this fall, Sears, Roebuck & Co. nailed down a deal to join forces with Simpsons, Ltd., Canada's second-largest department store chain (BW-Oct.11'52,p94). Now stockholders of Zeller's, Ltd., Canada's largest variety chain, are considering an affiliation with W. T. Grant Co.

Here's how the Grant-Zeller's team-up is likely to work, provided the shareholders say yes:

- Zeller's will issue \$2.4-million of debenture notes, which Grant can convert into Zeller's common stock later.

- In addition, Grant will buy a large hunk of outstanding stock owned by Walter P. Zeller, the chain's president. There will be an option for more. That will make Grant a "large shareholder," but may not mean control.

- Both companies say there will be no big changes in Zeller's policies. But Grant hopes to help its partner with U.S. buying, with new store development and real estate problems, and with general administration. Both Grant and Zeller's concentrate on variety items.

- **Mutual Interest**—It would be Grant's first move into Canada, though the company has been thinking about possible Canadian activity for years. Zeller's is a solid entree: Its 52 stores in seven provinces do a \$27-million-plus business yearly, nearly triple the sales eight years ago.

The Sears-Simpsons and Grant-Zeller's deals show two trends:

- U.S. marketing men are doing more and more thinking about the growth possibilities of Canada's retail trade, now over \$10-billion yearly.

- The switch from essentially proprietary management to professional

management is showing up in Canadian retailing. Both Zeller's and Simpsons are closely held organizations, and some of the owner-managers are getting along in years. They welcome infusions of new capital and the management savvy outfits like Sears and Grant can offer.

CANADA BRIEFS

Top-heavy purchases in the U.S. are worrying Canadians; this year they'll total perhaps 75% of total Canadian imports. H. A. Stevenson, president of Barclays Bank (Canada), warns that nondollar countries will lose interest in trade with Canada, retreat into even tighter trading blocs.

Two Canadian branches, one in Montreal and one in Toronto, are being opened by McCann-Erickson, Inc., New York.

Latin America beckons to Canadian exporters. Some businessmen and government people, including C. D. Howe, Minister of Trade & Commerce, plan a junket south of the border in January. Canadian sales in Latin America hit \$140-million last year, 10 times 1938 volume.

Volkswagen, the West German auto maker, is breaking into the Canadian market. Some 150 cars, plus buses and small trucks, arrived in Montreal last week.

Canadara, Ltd., is a new investment firm aiming at development of Canadian resources. Partners include: Lazard Freres & Co., Ford, Bacon & Davis, Inc., Newmont Mining Corp.—all of New York; Credit Suisse, Zurich; Whitehall Canada, Ltd., Toronto; Banque de l'Indochine, Paris.



New British Planes for Canadian Line

Trans-Canada Airlines has gladdened the hearts of British plane makers with a juicy \$11.5-million order for 15 Viscounts, Vickers-Armstrongs, Ltd.'s new turboprop air-

liner (that's an advanced prototype above). TCA expects delivery by early 1955, plans to use the planes on domestic service and hops like Montreal to New York.



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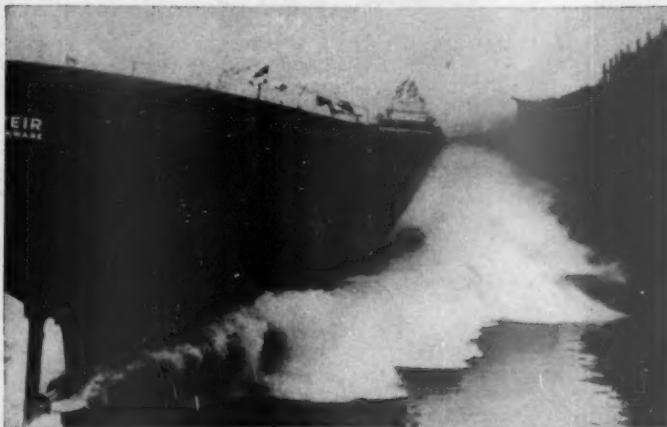
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LOCAL BUSINESS

Business by and large is a local affair, and local news takes a large place in every businessman's thinking.

Here, from a sampling of cities around the country, are some of the local events that made news last week.



Top Ore Carrier

LORAIN, OHIO—The largest ship ever built on fresh water was launched (picture, above) at the American Ship Building Co. yards here last week. This newest addition to the Great Lakes ore fleet, the Ernest T. Weir, is owned by National Steel Corp., and will be operated by M. A. Hanna Co.

The Weir is 690 ft. long with a capacity of 19,500 gross tons at 24-ft. draft (that's how capacity of Lakes ships is figured). When lake conditions permit deeper draft, the ship will be able to carry up to 21,770 tons of cargo.

Up to now, the largest ship on the Lakes has been Inland Steel's Wilfred Sykes, built in 1949, which is 678 ft. long and has 19,000 gross tons cargo capacity at 24-ft. draft.

It's an Ill Wind

PORTLAND, ORE.—Portland has long envied Seattle's top position as a gateway for trade with Alaska. Now Portland may cut in on that position—through no particular effort of its own.

Seattle's waterfront has a troubled labor history, and, from time to time, Portland has been called on to fill in during a Seattle strike. Another strike this month may have been the straw that broke the camel's back. After it had gone on for a week, the Anchorage (Alaska) Businessmen's Assn. asked the Portland Chamber of Commerce to

initiate long-range plans to bypass the periodic tie-ups on the Seattle docks. "The businessmen here are resolved to find more reliable shipping schedules," the president of the association wired the Portland chamber. "Labor relations in Seattle have become intolerable; apparently are destined to remain so."

Housing the Drama

NEW YORK CITY—This city is unquestionably the theatrical center of the country, but its theaters themselves are badly out of date. There hasn't been a new one built here in 25 years; TV and movies have taken over many existing houses. As a result, the city has only 30 active legitimate theaters today, compared with 68 in 1930. The ones that are left are, by and large, neither modern nor comfortable.

Chief reason for this state of affairs is the city's building code, which forbids the construction of theaters in buildings with other units. Construction costs being what they are, this has made it economically impossible to build a theater that would pay for itself.

Efforts to revise the code have always run into objections from the city Fire and Building Depts. Recently, however, Howard S. Cullman, head of the Port of N. Y. Authority and a prominent theatrical "angel," has started the ball rolling again. This time representatives of the two city departments have sat in on all conferences. Some 21



How to record your telephone calls

Of course you want "carbon copies" of your important phone calls—just as you want carbons of your letters. Actually, it is the easiest thing in the world to do. Here's how it works:

Your Audograph is turned on through the day, ready to record dictation, instructions, notes and ideas. An important call comes through. You just flip the switch on the control station. That's all.

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starts operating — recording both ends of the conversation with radio clarity on a paper-thin plastic disc.

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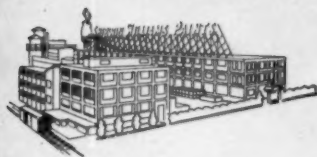
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amendments to the code have been drawn up, and will be submitted to the City Council within a month. It seems almost certain that, this time, they will be adopted.

Back in Business

SAN FRANCISCO—During the last world war, San Francisco was an important shipbuilding center—and shipbuilding was an important contributor to San Francisco's economic well-being. But, due in part to high labor costs and in part to politics, not a single ship has been built here since 1944.

Last week San Francisco broke the jinx, when the Bethlehem Pacific Shipyard laid the keel of a fast freighter, to be known as the Golden Mariner. It is the first of five sister ships, of 21,000 tons displacement each, that will cost a total of \$47½-million. They are being built for the U.S. Maritime Administration, which will charter them to commercial operators.

Peak employment on the contract will be about 3,200.

Football Business Folds

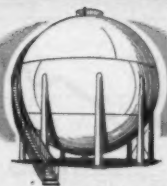
DALLAS—Most talked-about news among businessmen here last week wasn't, properly speaking, business news at all. It was the folding of the South's first major-league professional football team, the Dallas Texans.

For years, Dallas has been a red-hot football town. So when the National Football League franchise held by the New York Yankees came up for sale, a group of Dallas businessmen thought they had a natural. They figured that Dallas residents would swarm into the bowl to watch the pro team.

They were wrong.

The Texans needed only 25,000 average attendance per game to break even. They got an average of 12,000. Result: In debt more than \$250,000, the team folded last week. The league took over the franchise; the team is finishing out its schedule on the road. What will happen to it next year is anybody's guess. Another group of Dallas investors made a pass at getting the team, but backed out when they found there was no way of getting rid of a \$200,000 obligation the old Yankees owed New York's Yankee Stadium.

One reason for the debacle was a poor team: Through last Sunday, the Texans had lost nine straight games without so much as a tie. But Giles Miller, head of the group that backed the Texans, thinks lack of civic support was the big failure. "We thought it would be good for Dallas," he says. "We thought we would get civic cooperation. We failed to receive that support."



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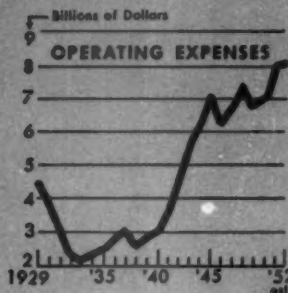
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FINANCE

Zooming traffic and drastic rate boosts have sent rail revenues kiting...



... But operating costs have been zooming along with revenues...



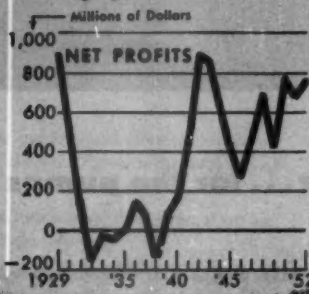
... So despite the sharp post-1929 cut made in fixed charges...



The rails' profit-margin continues to reveal a discouraging trend...



... Still 1952 will likely prove the second-best postwar earnings year...



... And it will also prove the best rail-dividend year since 1930.



Rail Earnings: The '52 Figures Look Good

• **Gross revenues:** About \$10.6-billion. That's \$209-million, or 2% better than last year.

• **Net earnings:** Around \$775-million. That's \$82-million, or 12% more than in 1951.

• **Dividends:** Approximately \$350-million. That adds up to a stockholder pay-out of \$22-million, or 6% above last year.

That's the showing Wall Street experts expect of the Class I roads for 1952. If they are accurate, it means that:

(1) Gross revenues of Class I rails will be the biggest on record.

(2) Earnings from regular sources will be the best in any peacetime year since 1929. (Wall Street excludes 1950, when a large, nonrecurring mail-payment windfall covering previous years swelled the net to a slightly higher level.)

(3) 1952 dividend payments will end up the highest since 1930.

• **Rock Base**—Even more important, the same experts claim that the recent improvement isn't just a flash in the pan. There's a basic change for the better.

The current crop of Broad and Wall "rail bulls" say that the trend also seems to attract more "pro" money managers.

As a result, for the first time rail shares are joining the "smartly managed" investment portfolios—which are reported to include pension funds and bank-managed trust accounts as well as open- and closed-end investment trusts.

Since pension and trust account managers don't publicize their buying and selling, it's hard to say how active they have been as rail share buyers. But a list of the investment group's 50 most favored investment holdings at midyear

(BW—Oct. 4 '52, p142) showed rail stocks accounting for as many as 5% or 10% of the trusts' "favorite 50." Up to this time, the equities of only two roads had been held in a sufficient quantity to include them on that honor roll.

• **Warning Signals**—As usually happens, however, when Wall Street gets hold of a particularly "hot" segment of the stock list, the pushers show a tendency to gloss over some of the less glittering aspects of the picture.

While there's no question but that rails have shown considerable improvement in operations this year, 1952's expected increase isn't coming from gains racked up in freight movements. Rather, the gains will come from the higher freight rates that have been in effect since last spring.

Actually, car loadings have run behind 1951 in 38 of the 45 weeks covered by 1952 reports. Up to mid-

November, loadings showed a year-to-year drop of almost 7%.

This drop in loadings hasn't been due entirely to traffic losses in this year's steel and coal-mine walkouts—and the drop hasn't been limited to the eastern and southern roads directly serving such industries. Actually, not a single region has chalked up a gain over last year's freight loadings. The best that the roads outside the East and South can say is that their figures haven't dropped so far below 1951 as those more dependent for traffic on coal and steel operations.

• **Watch Earnings**—There's another skeleton in the closet: the spotty nature of current rail earnings picture.

Through August, the Assn. of American Railroads reports, 20 Class I carriers actually failed to cover their operating costs, interest, and rental charges. Of 46 others operating in the black, 12 aren't apt to earn so much as they did in 1951.

What's more, even among the "profitable" group of rails, much of this year's gain in Class I road earnings will stem directly from a relatively small group of carriers.

Stack up the January-August, 1952, operating reports of two transcontinentals—the Southern Pacific and Santa Fe systems—alongside that of the Class I roads as a group. While the combined gross revenues of these two accounted for only 12% of Class I roads' revenues in the period, they contributed (1) 20% of the group's net, and (2) 40% of the increase.

• **Study Dividends**—The dividend picture is much the same. So far, not so many roads have upped, or are likely to hike, their 1952 dividend payments as you might have been led to believe.

True, rail dividends this year will run well above 1951. But it will be due to handsome hikes by a relatively few roads rather than to general increases.

Here's the story for 46 prominent systems: (1) Only 12 have either already hiked their 1952 dividends or are definitely expected to do so before the year ends; (2) 19 are more than likely to pay the same this year as last; (3) 2 are apt to pay less; and (4) 13 will continue to pay nothing at all.

• **Selective Buying**—These facts underline the need for selection in buying rail shares. There are still plenty of roads whose near-term outlook isn't anything to write home about.

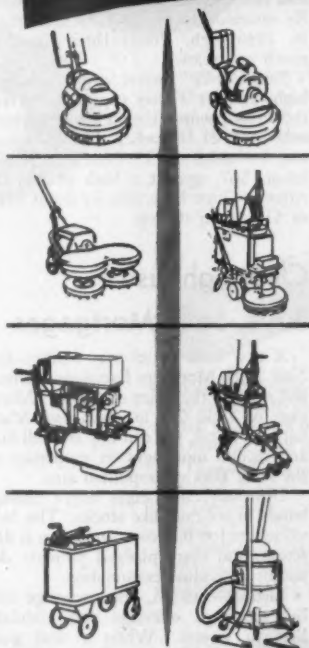
At midyear, the investment trusts' most popular rail holding was Southern Pacific. Then follow the commons of Santa Fe, Seaboard Air Line, Illinois Central, and Union Pacific. At that

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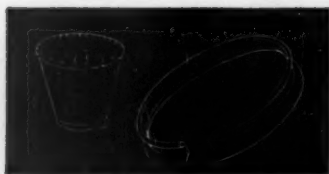
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time, 46 trusts held 312,000 shares of Southern Pacific, valued at \$25.9-million; 44 held \$21.6-million, or 237,000 shares, of Santa Fe; 21 around \$16.6-million, or 176,000 shares, of Seaboard; 29 about \$16.4-million, or 221,000 shares, of Illinois Central; and 38 some \$15.1-million, or 132,000 shares, of UP common.

Of course, these weren't the only substantial rail holdings. Others were Western Pacific, Great Northern preferred (it has no common), Kansas City Southern, Nickel Plate, Northern Pacific (bought more as an "oil" than a rail), and Southern Ry.

• **Prices Climb**—Remember, too, that prices of the favorites have been bid up; now they are cheap—either in relation to their lows of just a few years back, or the highs just before the 1946 bull market burst at the seams.

Seaboard common early this week was selling at around \$109 a share vs. \$11.25 before the 1949-52 bull market started and a 1946 peak of \$37.50. Santa Fe, which reached a high of \$60.50 in 1946 and later sold for as little as \$33, now costs approximately \$92.

Illinois Central, at \$77, is 70% above its 1946 peak and a little more than four times its subsequent low. Southern Ry. common, at \$72, is 10% more than its 1946 high, almost three times as much as its low.

Enthusiastic buyers can reach too high, at least if they expect to harvest short-run profits. Union Pacific, which sold at \$121.50 earlier this year, now may be had for \$113; Northern Pacific brings \$67, against a high of \$94.37; Atlantic Coast Line sells for about \$105 or \$13 under its top.

Clearinghouse Buys, Sells Mortgages

A new kind of security market—the New York Mortgage Exchange—started last week in the office of Lawyers Mortgage & Title Co. in downtown Manhattan. There, you can buy and sell first and second mortgages on properties in the New York metropolitan area.

Obviously, mortgages won't change hands in volume, like stocks. The face values are too big, every mortgage is different, and every pledged property demands individual examination.

• **Listings**—Instead, the exchange will list mortgage offerings and circulate lists to buyers. When a deal goes through, the buyer will pay the exchange a 1% commission; the seller will pay the cost of a title insurance policy for the benefit of the buyer.

The exchange will inspect and classify properties, but prospective buyers will have to make their own appraisals.

FINANCE BRIEFS

Reserve Mining Corp., taconite producer is negotiating a loan of around \$150-million to finance production facilities. Most of the loan may be placed privately with institutional investors.

Electric Bond & Share's liquidation plan, offered in compliance with the utility death-sentence law, has been modified by SEC in several important respects. The commission will hear objections, then make a final decision.

MOP reorganization postponed: ICC has decided that changed business conditions make necessary a review of the 1949 reorganization plan for Missouri Pacific RR. The plan was voted on by security holders in 1950, but its validity has been challenged by Robert Young's Alleghany Corp., which still owns some of the common stock (BW-May 26 '51, p136). The common would have been wiped out by the plan.

Higher reserves for s & l's: William K. Divers, chairman of the Home Loan Bank Board, suggests that the present legally required loss reserve of 5% of savings be increased to 10%. He emphasizes, however, that delinquent loans—now about 1.2% of outstanding loans—are running lower than in previous years.

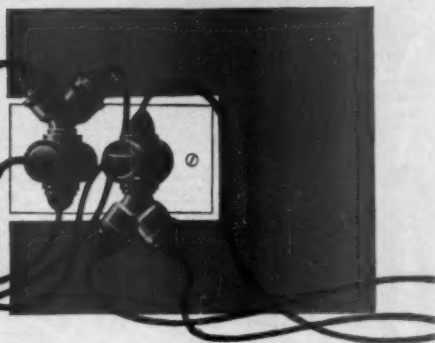
North Dakota's unsatisfied judgment fund, which pays judgments for drivers who are at fault in accidents and can't pay (BW-Feb. 16 '51, p168), has run into trouble. The fund had only \$25,000 left last week, with lots of potential liabilities coming up. To get more money, the state will assess all car owners another \$1.

Pipeline financing: A total of \$29-million worth of 12-year, 6% debentures has been registered with SEC by West Coast Pipe Line Co. A \$50 debenture will be offered with one share of common stock.

Atlas Corp. directors have declared a special dividend of 1/50 of a share in Airfreights, Inc., for each common share of Atlas, in addition to the regular 40¢ quarterly dividend. This is worth about 26¢, since Airfreights now sells on the Curb at around \$13.

Other financing: H. K. Porter Co., Inc., has sold privately \$8-million of 15-year promissory notes. About half of this will be used to retire bank loans. . . . North Pennsylvania RR, subsidiary of Reading Co., has sold \$6-million of 20-year mortgage bonds to refund a maturing issue.

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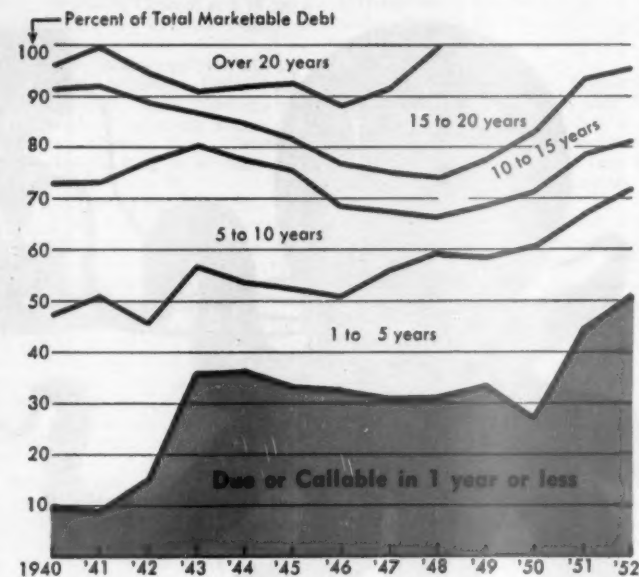
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The Federal Debt: Getting heavier on the short side



Data: U. S. Treasury Dept.

Humphrey's Big Headache

Good debt management is like good housekeeping: If you keep everything neat and orderly, you sleep better. Even so, at times money managers become slipshod. They may allow the lure of cheap interest on short-term borrowing to blind them to the long-range logic of carefully spaced maturities. Or they may just let payment dates creep up, engulfing them with debts that have to be paid all at once.

Wherever the fault lies, the house that will be taken over by Eisenhower's Secretary of the Treasury—Cleveland lawyer-industrialist George M. Humphrey—is not exactly a well-kept one. Half of Uncle Sam's \$148-billion of marketable debt falls due, or reaches its earliest optional repayment date, within one year. Another 20% is due or callable over the next four years.

Just to complicate things, there also is the portion of the nonmarketable debt (including \$58-billion of savings bonds) that matures each year or that may be cashed in any time, at the holder's whim.

• **Bad to Worse**—The problem stems, of course, from World War II. There was the huge growth in the govern-

ment's debt, and methods of raising such fabulous sums naturally had to be makeshift ones.

But the postwar years have seen no improvement. After the war the Treasury wasn't willing to compete for long-term money in a tightening market. There was a tremendous private demand for long-term funds. This has been even more true since the Federal Reserve let prices of long-term Treasury bonds sink below par—and proportionately increased the cost of borrowing new money. Rather than refund into long maturities, the government repaid the issues that fell due by raising money in the relatively painless short-term market.

• **Negative Side**—This policy had some negative virtues: (1) It didn't compete with business for long-term capital, and (2) it didn't weaken the already sloppy market for longer Treasury bonds by adding greatly to the supply.

It is assumed that the Republicans will stop this "rolling over" of the debt: that is, selling a new short-term issue every time there's a maturity to meet. The idea will be to take nearby maturities and transform them into more dis-

tant ones, meanwhile respacing the future load so that not too many will fall due on any one-year period.

• **Drumming Up Trade**—That raises one problem right off. The Treasury will have to find a lot of new investors. The banks, which hold most of the short maturities, usually aren't interested in paper of over 10-year maturity; bank customers want money on demand, not at some future date when a Treasury issue pays off. So the Treasury will have to go to big investors and institutions—pension funds, insurance companies, savings banks, and so on.

To woo these new investors, the Treasury will have to make the interest rate remunerative. That would imply still lower prices on low-coupon Treasury bonds now outstanding. This might shake confidence in the new, higher-coupon issues that the Treasury would be offering for sale. And, in any event, the new policy spells higher carrying charges on the public debt—for an administration elected on its promise to slash the budget and cut taxes.

• **Bright Spot**—There will be one consolation, however. Not all the change in the interest rate is net loss. The paperwork alone on Sec. John Snyder's "rollovers" of short-term issues is appreciable. And Humphrey would have to come to market much less often once the Treasury's major refundings were behind him.

That will help the Federal Reserve get back to its basic job—regulating credit.

• **Straight Man**—For years the Fed was little but a flunky for the Treasury. A war had to be won. The Treasury was the only big borrower, hence the only major factor in the money market. And the Fed supported the price of Treasury issues to make borrowing easy.

When the Federal Reserve System declared its partial independence from the Treasury last year, its role changed.

It no longer supported long-term governments at fixed prices, but saw to it that price changes were "orderly"—that is, not too fast. And it has supported the market when the Treasury was borrowing money.

The Fed became the specialist that rushed to the Treasury's aid in emergency—rather than the general practitioner who stood by for constant doctoring of the government bond market. The less often the Treasury has to borrow in the future, the more the Fed can pull over into its traditional dealings with credit for the business community. This Fed-Treasury divorce is believed to be a point of Republican policy quite aside from the new administration's debt management stand.

• **Ill-Timed?**—Don't expect everyone to be 100% pleased about the government's lengthening the maturities on its marketable debt, however. Bond dealers

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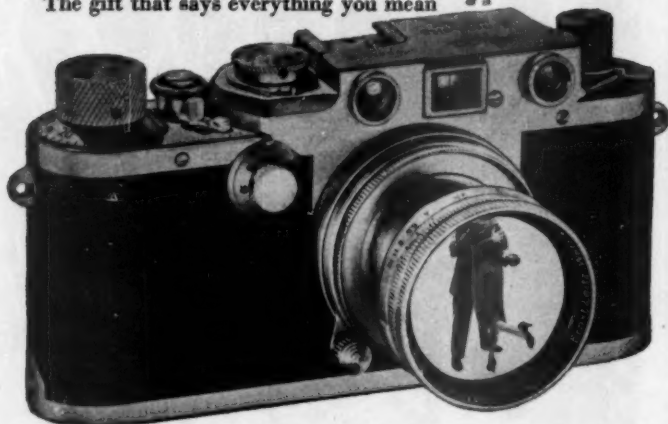
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who have been hoping for a stronger market won't be happy if refunding into longer-term issues has a depressing effect on bond issues that are already outstanding.

These dealers—who obviously could be prejudiced—point out that, by selling to private investors rather than to banks, the new policy would do more than take potentially inflationary short-term securities out of the banking system. It would reduce the money supply. Such deflationary action could be ill-timed if there is a recession coming in 1953.

• **Objectors**—Furthermore, some dealers insist that our economy requires a huge amount of short-term investments. For example: Tax liabilities of corporations have created enormous demand for Treasury bills—now that a company treasurer can net about 1.8% on them, compared with about 1% three years ago. Of approximately \$21.7-billion of bills now outstanding, only about \$4-billion are held by commercial banks. Nonfinancial corporations are believed to have bought most of the remaining bills.

Dealers make much of the fact, too, that coupons on long-term governments will have to be made attractive enough to compete with the bonds that corporations have been putting out in such volume. The government won't find a spontaneous demand for its offerings until this corporate appetite is partially satisfied—and no one knows just when that will be.

• **Plenty of Time**—However, most observers agree that the Treasury will be able to do its debt-lengthening gradually. Even if Humphrey wanted to do the job all at once, there would hardly be a market for nearly \$100-billion of bonds to replace the one-year to five-year maturities.

Humphrey's first big refunding will come on Feb. 15, when \$8.9-billion of 11-month certificates come due. These might be paid off through an issue of 22-month notes, if the government could get enough investors interested. Then, by midyear, private demand for capital might have ebbed sufficiently for institutional investors to take \$2-billion or so of 30-year, 3% bonds.

In any event, reducing the short-term float would put the Treasury in a better position for emergencies. Humphrey would make it easier for himself to borrow large sums quickly later on. Unless you have the Federal Reserve to provide buying support for you, money is never easy to borrow when you need it badly. But even then it's usually easier to borrow short-term money than long-term funds. If the Treasury is going to be on its own, cutting down on short-term debt now would make it easier to borrow short-term money later.

THE MARKETS

Some Big Postelection Winners

	1952 High	Pre- Election Level	Subse- quent High	Recent Level	"Election Rally" Gain
A. C. Gilbert	\$31.50	\$26.00	\$31.25	\$31.25	20.2%
Central of Georgia	30.75	26.37	*30.75	30.75	16.6
Virginia-Carolina Chemical ..	29.37	19.25	22.87	22.75	18.2
Heyden Chemical	24.37	14.62	16.87	16.87	15.4
Crown Zellerbach	62.50	54.75	*62.50	62.50	14.2
Chicago Great Western	24.25	21.25	*24.25	24.25	14.1
General Portland Cement	49.00	43.50	*49.00	48.87	12.3
Industrial Rayon	64.25	53.25	59.25	59.25	11.3
Lehigh Portland Cement	29.50	26.50	*29.50	29.50	11.3
Safeway Stores	33.50	30.00	33.37	33.25	10.8
West Indies Sugar	41.37	29.25	32.37	32.37	10.7
General Electric	70.50	62.87	*70.50	69.50	10.5
Briggs & Stratton	37.00	33.62	*37.00	37.00	10.1
Jewel Tea	78.00	71.12	*78.00	78.00	9.7
Republic Steel	44.25	39.87	43.75	43.50	9.1
Texas Pacific Coal & Oil	46.75	37.50	41.87	40.75	8.7
Worthington Corp.	32.37	29.00	*32.37	31.50	8.6
Viking Corp.	44.75	36.00	39.00	39.00	8.3
Corning Glass Works	87.50	67.50	75.00	73.00	8.1
Borg-Warner Corp.	76.50	70.75	*76.50	76.50	8.1

*New 1952 high.

More Eisenhower Rally

Stocks gain on a wide front. Bulls see happy times ahead, but bears predict slump when new confidence is replaced by cold scrutiny of profit prospects.

The "Eisenhower rally" was still going strong early this week, and on a wide front. Postelection gains were scattered plentifully through the whole stock list; many of the advances were handsome (table, above).

Does this mean that the aging 1949-1952 bull market has finally recovered from its lethargy, and taken the first steps in another prolonged advance? Or are the bears right in saying this is just the final whirl of the old bull market?

That's anybody's guess. But don't underrate one factor that didn't exist before Nov. 4. Now, for the first time in 20 years, there's a confidence—shared by corporate heads, investors, and traders—that business has nothing to fear from Washington.

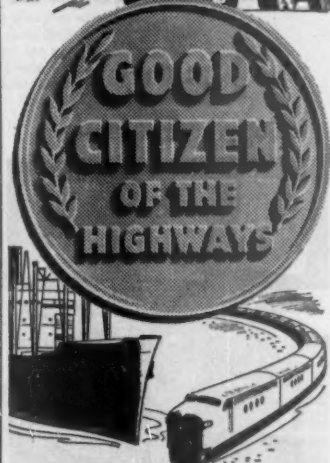
• **Good Reaction**—That doesn't mean that business thinks it is going to be

allowed to run the country. But business does like President-elect Eisenhower's approach; and so far it likes his Cabinet appointments (page 27). These choices indicate that the new administration intends to rely heavily on businessmen.

This new-born confidence may make investors willing to pay more for per-share earnings than they have been.

• **Doubts**—Many of Wall Street's still numerous bears pooh-poo this idea. The most they will admit is that the market may have overcome the worst effects of tax selling, and that it may have already begun its traditional year-end rally.

The bears say that the real test will come when the effects of year-end dividends have worn off, and all the funds that are normally seeking employment



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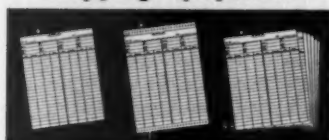
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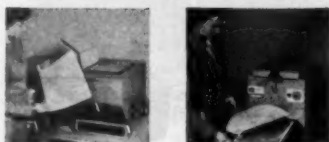
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as the year closes have been reinvested. By that time, the bears claim, the Eisenhower confidence honeymoon will be about over, and the market will again start paying serious attention to that more normal price determinant: the corporate profits outlook.

That outlook is none too good, according to the bears. They expect gross revenues of many trades to start sliding off in 1953, as the buildup of production facilities loses momentum. They do not expect civilian demand to

equal the flow of goods that will be coming from the huge production machine that has been built in many lines. Since today's high break-even points require close to capacity production if companies are to stay well in the black, the bears think profits will suffer.

This thinking leaves the bears skeptical of the idea that election-built confidence will keep people bidding up stocks regardless of profits. Their belief is that by that time stocks will be losing popularity, and bonds gaining it.

How the Averages Hide Wide Price Swings

	1951 Year- End	1952 Price Range High Low	Recent Level	1952 Gains Maximum Now
Dow-Jones Industrial Stock Average	269.23	280.29 256.35	279.32	+ 4.1% + 3.7%

30 Stocks comprising average

Allied Chemical & Dye	\$75.50	\$78.37 \$67.25	\$75.25	+ 3.8	- 0.3
American Can	28.44	35.37 28.12	34.62	+24.4	+21.7
American Smelting & Refining	47.62	53.00 38.87	41.00	+11.3	-13.9
American Telephone & Telegraph	156.25	157.87 150.87	157.50	+ 1.0	+ 0.8
American Tobacco	62.25	66.00 54.37	63.75	+ 6.0	+ 2.4
Bethlehem Steel	51.50	54.87 46.50	50.62	+ 6.6	- 1.7
Chrysler Corp.	70.00	86.87 68.12	85.50	+24.1	+23.1
Corn Products Refining	70.50	73.00 65.37	71.75	+ 3.8	+ 1.8
E. I. du Pont de Nemours	92.00	93.25 79.87	92.25	+ 1.4	+ 0.3
Eastman Kodak	46.00	48.00 41.87	44.37	+ 4.3	- 8.8
General Electric	59.50	70.50 54.37	69.50	+16.8	+16.8
General Foods	44.87	53.00 41.00	51.25	+18.3	+14.3
General Motors	52.00	64.50 50.00	63.87	+26.0	+23.8
Goodyear Tire & Rubber	44.00	47.87 40.00	46.87	+ 3.8	+ 6.5
International Harvester	35.00	36.62 29.87	32.12	+ 4.6	- 8.3
International Nickel	42.25	48.12 40.75	42.87	+12.9	+ 1.8
Johns-Manville	68.00	78.75 62.75	73.00	+16.8	+ 7.4
Loew's, Inc.	17.25	18.25 11.50	12.12	+ 8.0	-29.7
National Distillers	34.12	34.12 19.50	21.37	—	-37.4
National Steel	53.12	53.00 43.00	48.00	- 0.2	- 9.6
Procter & Gamble	66.50	68.62 62.50	68.25	+ 3.2	+ 3.6
Sears, Roebuck & Co.	56.00	60.50 50.50	59.12	+ 8.0	+ 8.6
Standard Oil (Cal.)	50.87	64.25 50.12	54.75	+26.3	+ 7.6
Standard Oil (N. J.)	75.75	85.00 72.00	74.87	+12.2	- 1.3
Texas Co.	56.12	60.37 50.62	55.62	+ 7.6	- 0.9
Union Carbide & Carbon	63.62	68.00 57.00	66.00	+ 6.9	+ 3.7
United Aircraft	31.62	36.12 28.00	35.00	+14.2	+10.7
United States Steel	39.87	42.25 37.50	39.87	+ 6.0	—
Westinghouse Electric	39.87	46.25 35.12	45.50	+16.0	+14.1
F. W. Woolworth Co.	42.37	45.00 42.12	43.75	+ 6.2	+ 8.3

Dow-Jones Railroad Stock Average	81.70	104.89 82.03	104.36	+26.4	+27.7
---	-------	--------------	--------	-------	-------

30 Stocks comprising average

Atchafalaya, Topeka & Santa Fe	\$74.75	\$95.75 \$73.50	\$93.00	+28.1	+24.4
Atlantic Coast Line	76.25	118.00 75.75	108.00	+64.0	+41.6
Baltimore & Ohio	18.87	24.12 17.50	23.87	+27.8	+26.6
Canadian Pacific	35.37	40.75 31.12	32.75	+18.2	- 7.4
Chesapeake & Ohio	33.25	38.12 33.50	38.00	+14.6	+14.3
Chicago, Rock Island & Pacific	50.00	69.62 49.25	67.00	+29.2	+24.0
Delaware & Hudson	43.00	52.00 43.00	46.37	+20.9	+ 7.8
Erie	18.00	23.25 17.75	23.00	+29.3	+27.8
Great Northern (Pfd.)	49.62	56.25 46.75	52.12	+13.4	+ 8.0
Illinois Central	58.37	78.00 54.25	78.00	+23.0	+23.6
Kansas City Southern	67.87	86.75 62.00	88.00	+27.8	+29.7
Louisville & Nashville	53.12	63.25 52.25	62.12	+19.1	+16.9
New York Central	17.87	21.50 17.00	20.62	+20.3	+16.4
New York, Chicago & St. Louis	36.75	45.25 34.62	42.62	+23.1	+16.0
New York, New Haven & Hartford	15.87	23.37 14.50	23.00	+27.3	+24.9
Norfolk & Western	46.87	52.25 46.62	51.25	+11.8	+ 9.3
Pennsylvania	17.87	20.75 17.75	20.00	+16.1	+11.9
Southern Pacific	30.25	44.37 30.37	43.25	+46.7	+43.0
Southern Ry.	49.75	72.25 48.75	72.50	+48.3	+46.7
Union Pacific	100.00	121.50 100.00	113.50	+21.5	+13.6



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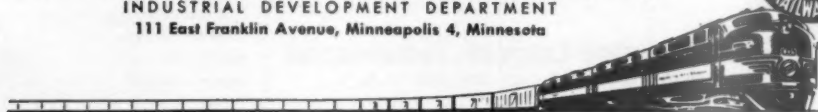
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INTERNATIONAL OUTLOOK

BUSINESS WEEK

NOVEMBER 29, 1952

A BUSINESS WEEK

SERVICE

Hot as it is, the U.N. debate on Korea hasn't settled the basic problem so far. We still don't know what Stalin's game is.

True, the Russians looked bad when they suddenly torpedoed the Indian resolution on the prisoner issue.

But even this move doesn't prove that Stalin won't come to terms.

It's possible, of course, that Stalin wants to keep the Korean war going as long as possible—even at the risk of a military showdown there. For as long as the Korean pot boils, there's sure to be friction in the Western camp.

But with equal logic you can put this interpretation on Kremlin policy:

- Stalin wants a deal on Korea. But he aims to reach it directly with the U.S., not via the U.N. Since he believes that only the great powers should settle big issues, the last thing he wants is a truce engineered by India.

- Stalin figures he has plenty of time to maneuver before the U.S. decides to launch an all-out offensive in Korea. If that threat becomes real, he'll back down there. But at the same time he'll increase Communist pressure in Indo-China, keep the Western allies divided that way.

There's general agreement at the current Commonwealth conference in London about the need for making sterling convertible into dollars (page 108).

It's the preliminary moves that produce differences among the Commonwealth countries.

Take the question of industrialization in Australia, South Africa, and India. Both the British and Canadian governments think postwar industrialization has been pushed too fast, especially in Australia. As London and Ottawa see it, this has largely caused the sterling area's dollar shortage. It has diverted manpower and resources from the production of food and raw materials and made the sterling area more dependent on dollar supplies.

One thing that's high on the London conference agenda is a proposal to (1) list the main capital projects in the Commonwealth; and (2) give priority to mining, farming, and basic services.

British and Canadian delegates at London will insist that agreement must be reached on this point before any moves are made toward convertibility.

A huge, half-billion dollar power and aluminum project on the Volta River in West Africa's Gold Coast colony is moving ahead.

That's the kind of basic development London and Ottawa are talking about. The idea is to build a sterling area source of aluminum, to supplement dollar aluminum from Canada.

Four partners are involved: The British government, British Aluminium Co., Ltd., the new native government of the Gold Coast, and Montreal's Aluminium, Ltd. (BW-Jul.26'52,p82). They plan bauxite mines and smelters to produce 230,000 tons of ingot yearly, plus power, irrigation, industrial, and transport development.

Ground hasn't been broken yet; probably six months more study is needed. When work does begin, the aluminum companies will build the smelters, the Gold Coast will handle port and road facilities, and the British Treasury will finance the power development.

INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK

NOVEMBER 29, 1952

In Britain, businessmen aren't taking recession talk too seriously. You can tell that from their plans to push ahead with capital expansion.

Out of 100 top British industrial firms, only 10 are hedging at all on capital projects they have been planning for 1953.

In textiles, many firms have reacted to the recent slump by ordering new cost-cutting equipment.

Government officials expect civilian factory building to jump by a third next year as Britain's defense program requires less construction.

•
Don't overrate this week's anti-Western riots in Iraq.

True, there's plenty of tension there, just as there was in Iran and Egypt last year before things boiled over. That's why it was easy for anti-government parties to set the mob loose.

But the pro-British regime of Nuri Pasha seems to be firmly in the saddle. Nuri moved fast to prevent an opposition coup d'état, set up a military dictatorship under Gen. Mahmoud Nur Al-Din.

What's more, Iraq is in much better economic shape than either Iran or Egypt.

•
More businessmen are calling for a new look at U.S. trade policy. This time it's the U.S. Council of the International Chamber of Commerce.

The consensus at an ICC meeting in New York this week seemed to favor:

- A downward tariff revision, combined with careful study of how to help domestic industries squeezed by increased imports.
- Simplified customs rules, repeal of "Buy American" laws.
- A stronger Reciprocal Trade Agreements program, with less opportunity for "escape clause" action.

Meanwhile, the U.S. Council has begun a study of our commercial and monetary policy that will be presented to the new administration.

•
Ottawa has decreed an increased subsidy for Canada's gold-mining companies next year.

The mines have been demanding relief for months; dozens of companies have crumpled in the vise of higher costs and lower returns—despite the present subsidy of \$2.80 a fine oz.

One big factor: Where gold brought as much as \$38 an oz. when the Canadian dollar was at a discount (the \$35 gold price is figured in U.S. currency), the dollar's premium has shaved revenues.

Gold mining in Canada is still, by and large, a sick industry. But Ottawa's move will keep some marginal producers from going under.

•
Canadians seem to have the best hand in an international poker game with the U.S. The stakes: water rights and natural gas.

The power-starved U.S. Pacific Northwest wants an O.K. from British Columbia to store water from the province's Kootenay River system. British Columbia wants the Federal Power Commission to allow U.S. import of Alberta's natural gas via pipeline through Vancouver. Without an assured U.S. market, BC may not get its pipeline (BW-Nov.1'52,p94).

Provincial officials say: "If they don't take gas, they don't get the water."

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BUSINESS ABROAD

Commonwealth at Turning Point

● British Commonwealth planners are now meeting in London. The big question: Can the pound be made convertible into dollars?

● Britain no longer offers the rich market it once did, and it no longer has much capital to invest in the Commonwealth's development.

● As a result, the individual members are seeking more trade and more capital in the dollar area.

● Unless the planners solve dollar-pound convertibility problem soon, the Commonwealth could disintegrate.

The Commonwealth conference that opened this week in London is an economic landmark comparable with the empire conference held in Ottawa back in 1932. The Ottawa meeting led directly to the ill-fated London economic conference of 1933. Today's London meeting seems to be leading to a similar conference in 1953—with results that can't yet be foreseen.

There's no doubt that the Commonwealth has reached a point in its economic affairs that demands changes as drastic as those made 20 years ago when the imperial preference system was set up. This time, though, both the problem and the proposed solutions are different. Moreover, some of the key decisions being made in London will be referred to Washington before they are put into effect.

I. Economic Map Changes

The world depression and the Hawley-Smoot tariff in the U.S. formed the background for Ottawa. The primary producers in the Commonwealth demanded preferential treatment in the British market. Britain wanted tariff preferences in the Commonwealth countries to provide jobs in its export industries. A protective shelter was the goal in 1932.

Today the situation is very different. True, the members of the Commonwealth, apart from Canada, have a common problem—a chronic shortage of dollars. But individually, the members now have close economic ties with the U.S. They all want more dollar goods. What's more, Britain no longer offers the rich market it once did, and no longer has much capital to invest in the Commonwealth.

Members still will insist on their right to discriminate against dollar goods. But all agree that more freedom of trade is their goal and that freedom depends on convertibility of sterling into dollars. Australia, for one, is impatient to get sterling convertibility so that it can attract more American capital. In fact everyone at the conference knows that sterling won't last long as a key world currency unless it is made convertible fairly soon.

• **Groundwork**—Still there will be no dramatic announcement about convertibility when the London meeting ends two weeks from now. It's only the ground that is being prepared. And there is general agreement with Britain's Chancellor Butler, who holds that convertibility can't come until:

• Sterling area members tighten their monetary policy still further and slow down their development plans.

• London's gold reserves reach a much larger figure than the present \$1.8-billion.

• The U.S. agrees to a currency stabilization fund that would bolster a convertible pound sterling. (The British are now leaning toward a revamped International Monetary Fund for this job rather than a special U.S. or U.S.-Canadian fund.)

• **For Stable Prices**—Chancellor Butler would also like to see some international action to assure more stable prices for key raw materials. But British officials have given up earlier plans to press the U.S. for a grandiose commodity stabilization scheme.

Apparently, Butler's plan is to visit Washington in January or February to give U.S. officials the lowdown on decisions reached at the current London conference. In the interim he'll go

over the ground with European governments and officials of the European Payments Union.

In fact, the governments of the Commonwealth and Western Europe are hoping that the Eisenhower administration will call an international economic conference next spring to discuss convertibility, development in backward countries, and commodity stabilization. The Europeans hope, also, that the new administration will be able to offer some U.S. tariff cuts at such a conference. They don't think there is any chance of balancing U.S.-European trade unless American tariffs come down. But for tactical reasons they prefer to have the U.S. raise this subject first.


II. Props for Britain

It's clear enough that the economic affairs of the Commonwealth need to be put on a new basis. True, the free movement of payments within the sterling area, including capital payments, has kept trade within the Commonwealth at a high level. But this freedom has been a source of serious trouble, too. Sterling trade can stay high even while dollar earnings drop. That drains the area's common dollar reserves and at the same time delays the kind of price adjustments that are needed if the area's dollar trade is to pick up again.

• **Tight Money**—Since World War II this free flow of payments plus the absence of any deflationary pressures has maintained inflation throughout the Commonwealth and the sterling area. Likewise, the flow of capital from London, which was made possible until recently by U.S. aid, has generated development plans in all parts of the Commonwealth that are beyond Britain's resources. For the Commonwealth to push ahead with these plans without new outside capital would merely keep inflation going.

Now that economic aid from the U.S. is ending, it's obvious that the survival of the Commonwealth depends on (1) tight money policies to slow down economic development and provide more local savings; and (2) the Commonwealth's ability to attract large dollar investments from the United States.

• **More Austerity**—Britain's Butler is hoping for stricter monetary and fiscal policies in all Commonwealth coun-



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tries—so each can balance its trading accounts without leaning on rigid exchange restrictions.

Butler plans to tighten the financial screw still further in Britain next year. But domestic autonomy in this field is so jealously guarded in the Commonwealth that the British chancellor doesn't dare push too hard for similar policies on the part of other members. In fact, the demand for complete independence in domestic money matters will probably prevent the conference from approving proposals that have been made for a central board or secretariat for the whole sterling area.

When it comes to capital development, Butler is again on delicate ground. He's telling the others that capital investment in Britain is as important as in the developing countries. In other words, India, Australia, and others must gear their development plans to the amount of capital that is available.

III. U.S. Stake in Britain

At the conference, though, there are high hopes that public and private capital from the U.S. may relieve the Commonwealth's shortage. For one thing, the World Bank is expected to play a bigger role in the Commonwealth than it has in the past. The Bank's president, Eugene Black, was in London just before the conference talking with British officials about investment needs and opportunities in the Commonwealth.

•Turning Point—For the past 10 months, the Commonwealth has had a high-level committee sifting all the concrete development projects that are under way or planned for the Commonwealth.

No one in London this week doubts that Commonwealth unity hinges on finding a solution to these problems. Financial weakness breeds discontent. Lack of capital frustrates the national ambitions of the member nations. Everyone at London realizes that a turning point has been reached, that American aid has about ended except for military equipment, and that Britain's economic position is no longer what it once was.

Still, there is hope that by making a supreme effort, Britain can prevent disintegration of the Commonwealth. And the U.S. has a big stake in how well Britain does. For today the Commonwealth system maintains the economic and social fabric of a large part of the free world. If that system begins to fall apart, the United States would have to pick up the pieces or watch them drift into the Communist world.

BUSINESS ABROAD BRIEFS

Japan is ready to resume interest payments—in arrears since prewar—on \$76-million worth of dollar bonds. Payments should be coming through next month, after owners present their bonds to one of five New York agents.

A plastics plant in France is the result of a partnership between Monsanto Chemical Co., St. Louis, and a French glass manufacturer. A new company, Monsanto-Boussois, S.A., will produce Monsanto plastics, including polystyrene molding compounds, beginning sometime next year.

Boosting imports is the aim of a new organization called National Committee for Import Development. It will pull together activities of all U.S. foreign trade promotion groups, lobby in the new Congress for freer trade.

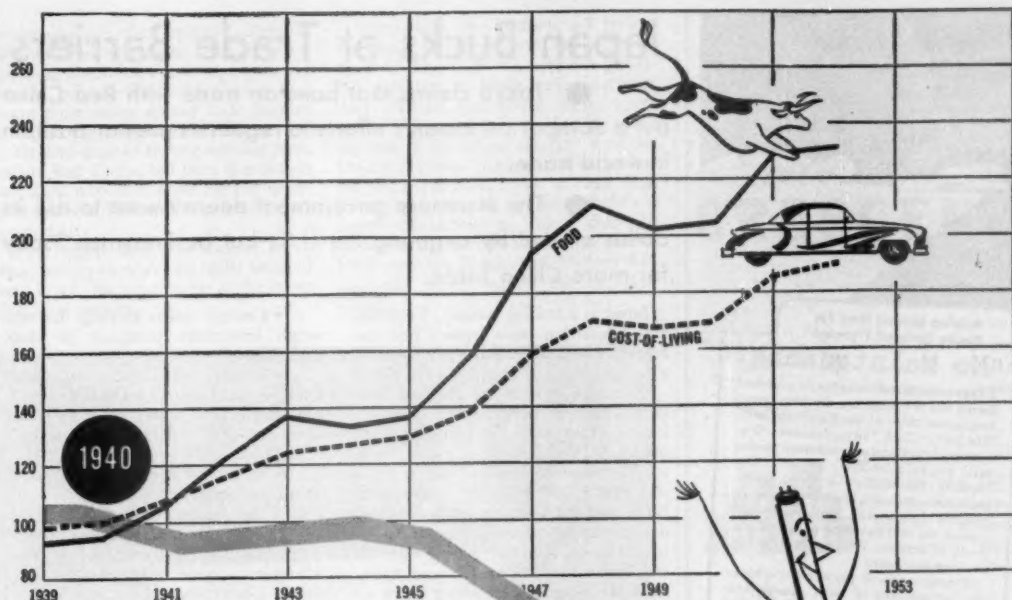
Venezuelans are talking about building their own tanker fleet to haul Venezuela's 2-million-bbl. daily oil output. That would put a crimp in shipping operations of foreign oil companies there like Creole Petroleum Corp. and Shell, might force foreign-flag tanker operators out of the Venezuelan trade.

Cutting federal taxes on U.S. business investment in Latin America is necessary to stimulate sound economic development there. That's the view of John Abbink, New York foreign investment adviser. He told a business meeting in Detroit last week that private industry, rather than Washington, had the best chance to help Latin Americans industrialize—and provide the U.S. with needed raw materials. The tax cuts, says Abbink, would encourage businessmen to look south of the border, wouldn't cost the U.S. more than \$200-million.

Cairo officials say they're going ahead with plans for an Egyptian steel plant, using hydro power from the Aswan Dam and ore from upper Egypt. Construction of the plant will be open to international bids; foreign business will be allowed to subscribe 49% of the capital for the plant.

Cuban newsmen have been warned by their chiefs not to collaborate in any way with Life magazine's new Spanish edition. Cubans, along with some other Latin American publishers, have been complaining that Life will cut into their own advertising revenues.

Saco-Lowell shops, Boston's big textile machinery maker, plans to produce its line in Brazil. The Bostonians are looking for a plant site.



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Japan Bucks at Trade Barriers

● Tokyo claims that bans on trade with Red China put a damper on Japan's efforts to regain its prewar position in world trade.

● The Japanese government doesn't want to risk its dollar market by angering the U.S., but businessmen lobby for more China trade.

Japan is a trading nation. Traditionally, China has been Japan's best customer. The United States is engaged in a twilight war with Red China in Korea.

These three facts are the real cause of the friction between the U.S. and Japan. The U.S. is concerned primarily with the military safety of its forces in Korea. Japan is out to regain its prewar position in international trade, and the Tokyo government is under mounting pressure from Japanese businessmen, who are getting very restive under the ban on Chinese trade.

● In the League—Last spring Japan was admitted to the Coordinating Committee for East-West Trade Policy (COCOM), joining the United States, Britain, Canada, France, and six other nations. This committee—set up in Paris in August, 1951—regulates trade between the East and West through its Paris lists, which divide goods into exportable nonstrategic goods and strategic goods that can't be exported to the Communist area.

The U.S. had hoped that Japan, with a say in East-West trade policy, would accept the barriers to its trade with China. But Japan thinks it should be subject to fewer, or at least not more, regulations than the other members of the committee. The U.S., on the other hand, insists that Japan must have stricter rules due to its proximity to China and its former close trade relations with that nation.

The U.S. argues that the Communists' long-range aim is to make Japan totally dependent on China trade. Before the war Japan called the signals. Now China wants barter agreements set up on its own terms. The U.S. predicts that at the opportune moment the Reds would threaten to break off trade relations, putting Japan at Peiping's mercy.

Instead of worrying about lost markets in Red China, the U.S. contends, Japan should be developing new markets in North and South America and in Southeast Asia.

● Butter Side—So far, the Yoshida government has gone along with the U.S.—for very good reasons:

● Japan doesn't want to lose American aid.

● Current dollar earnings far outweigh immediate prospects of trade with China.

● Exports to the Nationalist Chinese on Formosa—now about \$72-million a year—would probably lose their market if a deal were made with Red China.

● So far the Reds have been vague about payments and shipping.

But the Japanese government is under strong pressure from Kobe and Osaka businessmen and industrialists who want a wide relaxation in restrictions. They argue the importance of the China trade, then show how that trade has dropped since the U.S. imposed its embargo in December, 1950. In 1950 China trade was valued at \$19.6-million a year. It hit a peak of \$4.7-million in the month of November. Since then it's gone down steadily. By April, 1952, it had dropped to \$20,000. That's where it stands now.

● Blame on Embargo—The Japanese don't believe that either Southeast Asia or the Western Hemisphere can supply Japan with the things it needs at the price it can pay. They claim that if restrictions were lifted, or at least relaxed, China would supply Japan with coal, iron ore, and industrial salt at prices from 50% to 70% lower than those charged by the dollar area. These vital imports have dropped sharply since the embargo went into effect. Coal imports went from 522,000 tons in 1950 to 46,000 tons in 1951, iron from 208,000 tons to 67,000 tons, salt from 82,000 tons to 3,500 tons.

Japanese industrialists blame this drop solely on the embargo. Not so, says the U.S. State Dept. The drop was inevitable because of the difficulty in arranging payments, and in getting the Chinese to accept the kind of manufactured goods Japan can export.

Also, rapid Chinese industrialization has reduced the amount of raw materials that were left over for export. And what is left over is being shipped to Soviet bloc countries. A report issued this week by the U.N. estimates that 77% of Chinese exports go to Communist countries.

● Rider—Last August the five powers met in Washington and made some

concessions to the Japanese position. At that time restrictions were lifted on spinning machines, dyestuffs, paper, and woolen goods. The only rub was that Japan must secure special U.S. licenses to export these items to red China.

To date none of these goods has been sent to Red China, but later this month two ships will leave Kobe for the mainland under a \$84-million private barter agreement.

This might ease the tension for a time, but Japan won't be really satisfied until it gets the same terms as the other COCOM nations.

Meanwhile, the Japanese are feeling the pinch of other events beyond their control. The U.S. has held out glittering promises of trade with Southeast Asia. There have been some gains made, but not nearly enough to offset the loss of the China market. And the United Nations' blockade of Korea has cut them off from some of their best fishing grounds. In addition, there's a rumor circulating in Tokyo that the U.S. will sponsor two embargo lists at Paris—one for Russia and Eastern Europe, an even tougher list for Red China.



Tug of War on Tariff for Tuna Trade



Tuna has flopped back into the foreign-trade news again. The Tariff Commission is holding hearings before drafting a report to the Senate Finance Committee on the effects of foreign competition on the U.S. tuna industry. It will be up to the new Congress to act—perhaps next spring.

It's a three-way battle. Southern California canners and fishermen (pictures) want higher tariffs, quotas, or both. The Californians warn that U.S. tuna-fishing is going to pot fast.

Pacific Northwest and East Coast canners, who depend on imports, are fighting protection tooth and nail. They've been badly squeezed by voluntary Japanese export quotas, imposed earlier this year in an effort to forestall a U.S. duty hike.

Japan, Peru, other tuna-fishing nations, plus the State Dept., are watching the hearings anxiously for clues to future tariff action. State hopes normal competitive forces may bring a "readjustment" (i.e.—contraction) of the U.S. industry, which might reduce pressure for more protection.

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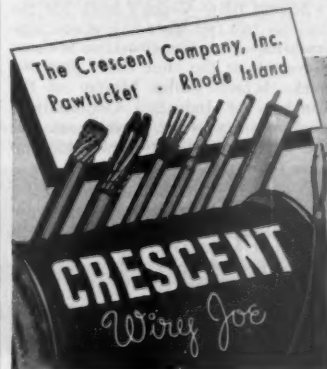
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New Chief, New Era for AFL

More aggressive policies seem likely. Meanwhile, the still leaderless CIO struggles to ease factional fight between followers of Reuther and Haywood.

The American Federation of Labor entered a new era this week—months sooner than it expected, and under more sobering circumstances. William Green, president of AFL since 1924, died at Coshocton, Ohio, last weekend after more than 60 years' work in the American labor movement. This week, without much ado, the federation's secretary-treasurer, George Meany, moved into the presidency.

William F. Schnitzler, president of the Bakery & Confectionery Workers, succeeded Meany in the secretary-treasurer job.

• **Second Blow**—Green's death left the nation's two top labor federations, representing 15-million workers, without presidents at the same time. Just two weeks before, Philip Murray of the Congress of Industrial Organizations died on a trip to the West Coast. For the CIO, transition to new leadership wasn't going to be easy.

Murray's death was a stunning blow to CIO. Unlike AFL, CIO had no single, logical candidate for its presidency. It had two strong rivals, about balanced in support, to contest for the job (BW—Nov. 15 '52, p154). That meant power politics—likely to be bared when CIO's postponed convention opens next week in Atlantic City.

At pre-convention sessions, this

week in New York, Allan Haywood and Walter Reuther of the United Auto Workers made strong bids for CIO's presidency. The first test brought no decision. But it disclosed a bitterness that deeply bothered many CIO international union presidents. Fearful of a split that will further weaken CIO—it has been waning in membership and strength for several years—the organization's leadership will make a new attempt this weekend to get Haywood, or possibly Reuther, to withdraw as a candidate.

As an alternative, they will propose this: Name a compromise candidate to the presidency in 1953, when major adjustments must be made to new administrations in both CIO and the national government; if there is to be any fight for the presidency, delay it until the next convention late in 1953.

• **Dominant**—AFL had no such problems after the death of Green. When the federation held its annual convention in New York two months ago, Meany was the dominant figure. There was some thought of retiring Green to president-emeritus status then, with Meany the most likely candidate to succeed him. Instead, the convention reelected Green by acclamation, to a 28th term.

But Green died in harness. Until the middle of last week he was still in daily contact with Meany, his top aide, who was filling in for him in Washington.

• **Appointment**—AFL's executive council, convened in the federation's offices in the nation's capital this week, unanimously named Meany as president—to serve until the next convention in St. Louis in September, 1953.

That doesn't mean that there is no opposition to Meany in AFL. A substantial bloc, mostly old-line craft unionists, is wary of Meany. It fears his willingness to shove aside old policies, as he shelved—willy-nilly and almost singlehandedly—the federation's traditional policy of endorsing no political candidate. Meany got AFL's executive council to endorse Gov. Adlai Stevenson (BW—Sep. 27 '52, p172).

Some of the traditionalists fear that the federation will gradually take on a new look under Meany—that its craft-above-all policies and its inherited conservatism will be brushed aside.

Certainly, as Meany gets his feet solidly on the ground, he will be a more articulate, a more aggressive figure than Green has been in recent years. For instance, Meany strongly influenced AFL's decision to challenge CIO's Textile Workers Union of America in the textile field (page 120). An advocate of increased organizing activity, even raiding where it can pay off, he is sure to stir controversy with CIO and other rival labor organizations. Unless, that is, developments should speed organic unity of major union bodies.

• **Unity Now?**—This is a possibility, albeit still a slim one, with new leaderships taking over in both AFL and CIO. At the special meeting of AFL's executive council this week, Meany asked for reactivation of AFL's nine-man committee on unity with CIO.

Meany said AFL and CIO "must find some way to get together," in the face of what might be a less friendly federal administration. He dismissed the idea that unity necessarily involves AFL (with 9-million workers) absorbing CIO (with about half that number). This has been a major block to progress in previous unity discussions—the last in the summer of 1950.

An invitation to unity discussions doesn't mean that unity will follow. For one thing, whoever is named president of CIO will hardly hurry into discussions that might cut short his tenure in that job. For another, Meany is blamed in CIO for the "torpedoing" of the AFL-CIO United Labor Policy Committee in 1951.

False T-H Oath ...

... can cost a union the right to use NLRB and to bargain exclusively, board rules in case based on conviction.

A false non-Communist affidavit can cost a union its certification as exclusive bargaining agent in a plant. And it can bar the union from the services of the National Labor Relations Board. That's the warning that NLRB gave unions this week in acting on the first conviction of a union officer for filing a false affidavit under the Taft-Hartley act.

• **Precedent**—The board took precedent-setting action after receiving official word of the conviction of Anthony Valenti (Valentino) in the U. S. District Court in Camden, N. J. (BW—Nov. 8 '52, p146). Valenti was found guilty of filing a false oath as business manager for Camden unionists, and was sentenced to five years in prison. He is appealing.

As a consequence of the Valenti conviction, NLRB:

• Deleted Local 80-A of the United Packinghouse Workers (CIO) from the board's list of unions that are in compliance with the filing requirements of T-H. The local's compliance status had been based on affidavits including one by Valenti. Now the local is barred from using NLRB's services in election and unfair-labor-practices cases.

• Gave three Camden labor organizations, including UPW's Local 80-A, until Dec. 1 to show "sufficient cause" for keeping exclusive bargaining certifications for four plants with more than 900 employees. If the unions lose this certification, any other labor organization can move in and attempt to take over the plant contracts.

• **Crackdown?**—Meanwhile, there were increasing signs in Washington and across the country that the Justice Dept. has launched its long-awaited crackdown on union officers who are suspected of swearing falsely that they aren't Communists.

In Dayton, Ohio, two members of the United Electrical Workers (ex-CIO) were jailed after federal indictments on perjury charges arising from non-Communist oaths filed with NLRB in December, 1949.

In New York and elsewhere in industrial centers, union officials—including heads of some top leftwing internationals—were called before federal grand juries investigating subversive activities.

So far, since 1947, only four union officers have been indicted in connection with non-Communist oath investigations—including the two this week in Dayton.

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"Variety Amazing" At British Industries Fair

"I paid my first visit to the British Industries Fair in May, 1952," says Hoyt C. Crabtree, President of Crabtree's Wholesale Radio Co., Dallas, Texas. "I was amazed at the variety of exhibits in the radio and electronics line, and besides making several purchases on the spot, I was able to line up some profitable trade connections. I can only hope that my 1953 BIF trip will be equally successful."

For full information about the British Industries Fair, businessmen are invited to write or telephone their nearest British Consulate—in New York call LOnacre 5-2070.

Rubber Cages Its Wildcats

Union and companies both act to curb the plague of quickie walkouts in Akron. But nobody is sure yet whether the improvement is here to stay.

Wildcat strikes have bedeviled the rubber industry in Akron for years. In 1951, 182 illegal stoppages cost 3.5-million manhours of work; 87 more walkouts occurred in the first four months of this year. Then, last summer, wildcat strikes lessened.

Two factors, closely connected, are behind the improvement:

The United Rubber Workers (CIOW) early this year took a firm stand against wildcat strikes.

Backed up by this URW stand, companies tightened their policies against illegal stoppages—those not sanctioned by the international union.

Companies report that subsequent developments have been "highly pleasing." B. F. Goodrich Co., for instance, has had only one short stoppage since August. United States Rubber Co. has had a number, but fewer than in corresponding periods. Similar reports come from Goodyear Tire & Rubber Co. and Firestone Tire & Rubber Co.

At the same time, all the companies say it is too early yet to know if the improvement will be permanent.

• **Crackdown**—Encouraged by URW's stand against wildcat strikes, Goodyear several weeks ago announced a new and stricter policy against those who engage in unauthorized stoppages. The action came after a wildcat in the company's rim plant in Akron shut down production and threw some 500 out of work.

Goodyear notified the United Rubber Workers that three employees "without the slightest provocation and in complete disregard of the union contract refused to perform their regular operation, and precipitated within a few minutes the complete shutdown of all production facilities."

The company told the union such a situation would be met with drastic disciplinary steps in the future. Henceforth, it said, any employee starting a strike, stoppage, or slowdown will be immediately discharged.

This extends existing policy on wildcat stoppages—which calls for seven-day suspensions for workers who participate in unauthorized stoppages. They can be discharged for a second offense—but few have lost jobs in the six years the policy has been in force.

The new Goodyear policy is the most severe in the industry. Goodrich, for instance, has rules that provide that: (1) If local union officers or committeemen participate in a wildcat, the local may be held responsible financially for any

damages; and (2) disciplinary action may be taken against those who participate in unauthorized walkouts on a case-by-case basis.

• **"A Bad Habit"**—The United Rubber Workers' president, L. S. Buckmaster, sent a broadside to the union's entire membership early this year. He expressed in blunt words his opposition to wildcat stoppages.

"This practice of relying upon wildcat strikes as a means of getting something we want is simply a well-developed bad habit," he said.

He urged members of locals to vote out of office anybody willing to "encourage or condone" illegal or unethical practices, and to replace him with an officer with "the ability, intelligence, and courage to handle problems of members in a sane, logical, and efficient manner."

Need More Workers? Catch Them at Home

Bell Aircraft Corp., like most other concerns in the industry, is hard-pressed for skilled labor. The standard recruiting techniques haven't been too successful. So Bell has dreamed up a variation that it hopes will do the trick.

Last week the company ran a series of newspaper ads followed up with radio and TV spot announcements, telling job-hunting designers, draftsmen, and design checkers that if they would telephone the company, an interviewer would be sent direct to their own homes. Bell had 50 employees stand by at home. When a call came in, the nearest one was dispatched to the applicant's house. On the first day, 35 calls came in.

Company officials think the system eliminates a lot of problems. They point out that since their plant is an hour's run from the heart of the city, few prospects could make it on their lunch hour. Besides, they feel their plan overcomes the reluctance of many people to apply for a new position even when they really want to change jobs.

Total cost of last week's operation was around \$1,000, but the company says that if it only nets 10 new workers, the result will still be worth the money.

This week the company tried these tactics again, asking for different skills. If the plan works well in Buffalo, Bell hopes to try it elsewhere.

BUSINESS IN MOTION

To our Colleagues in American Business...

It is sometimes asked whether distribution costs would not be reduced if purchasing were direct, eliminating distributors. The answer is that if this were practical, the forces of competition would have brought it about long ago. The fact is that the factory-to-distributor system evolved in response to the need for it. Distributors provide the most efficient and economical way yet found to give fast local service. Take the case of a machine shop wanting a few hundred pounds of brass rod; the rod mill would find it prohibitively expensive to seek the business, check credit, make up such a small order, and ship it. The distributor, on the other hand, can do this and make a profit, because that is his kind of business, in which he is a specialist. A factory cannot hope to approach his speed, economy and efficiency on the smaller orders.

By combining the estimated demands of his market, let us again say for brass rod, the distributor is able to give the mill an order of attractive size, which it can handle profitably. The distributor's services in stocking goods, selling, assuming credit risks, filling and shipping many local orders are generally recognized. There is another aspect of the work of the distributor that is less well known. It can be referred to as his stabilizing influence. Just as many brooks join to make a mighty river, so distributor sales to customers in thousands of cities and towns help produce a steady flow of business. This in turn aids the manufacturer to maintain employment, retain skilled

workers, buy raw materials advantageously, keep overhead down. Stability of production, to which distributors contribute, favorably influences the prosperity of our country, because everybody benefits from steadiness in production and marketing.

Revere advertisements in trade and technical publications contain this line in the signature: "Distributors Everywhere." These distributors were selected for their ability to serve their customers, and were also spotted geographically so

that no matter where you are in this big country of ours, there is a Revere Distributor within easy reach. In every other industry you will find similar distributor systems, linking producers with fabricators or retailers.

It is interesting to note the scope of a metal distributor's operations. He must have considerable capital, own or rent a large warehouse or warehouses, deal with thousands of individual customers, stock

tens of thousands of items, cut standard stock into special sizes, employ salesmen who are experts in various lines, publish catalogs, advertise, keep in close touch with the markets in his territory for various goods, buy skillfully, keep meticulous stock records, operate trucks, and serve as a central clearing house not only for products, but for information about them. A distributorship is a large and complicated business which renders an essential and economical service and makes profits in proportion to its performance. It is a vital link in American business.



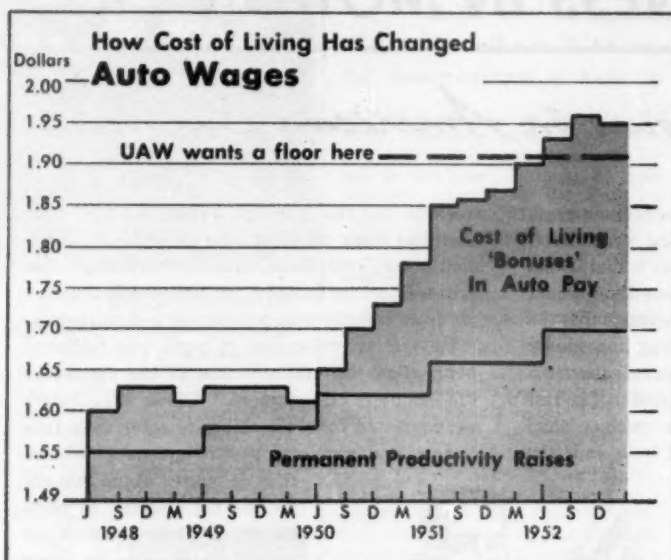
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Why UAW Wants a Floor Under Pay



Escalators to drop 1¢ an hr. for 1-million people despite slight climb in BLS index in month ended Oct. 15.

The Bureau of Labor Statistics' monthly cost-of-living index rose slightly in mid-October—but more than a million workers, most of them in the auto industry, will have their pay cut despite the c-o-l rise. They'll lose 1¢ of the heavy cost-of-living allowance (chart) accumulated since June, 1940.

BLS' "old" index edged up from 191.4 to 191.5 for the month ended Oct. 15, but was still 0.9-point below the 192.4 index figure of mid-July—the last wage-adjustment date, when auto workers got a 3¢ increase in their pay. • **Up or Down?**—The unrevised index is still in general use in industrial relations. The new index, modernized to take into consideration current buying patterns, for the first time showed a really different trend from the old index. Instead of a decline for the July 15-Oct. 15 quarter, the new index rose slightly, from 190.8 to 190.9.

The weighting given food prices in the two indexes is the main reason for the divergence. The old index is more strongly influenced by the fluctuation of food costs, which dropped from 239.1 to 234.1 during the quarter.

• **Pay Cuts**—General Motors has announced a 1¢ downward revision in c-o-l "bonus" pay to 315,000 workers on the basis of the latest index. The reduction lowers the total now being paid by GM in c-o-l "escalator" allowances to 25¢ an hour (chart, left). The entire amount could be wiped out through drops in the BLS index.

For that reason, the United Auto Workers (CIO) is asking GM and other auto manufacturers with GM-type contracts to add a substantial part of the current 25¢ bonus to regular pay—where a falling c-o-l index wouldn't affect it. Negotiations on this demand (BW-Nov. 11 '52, p148) were generally put aside during the political campaign; now they are likely to be resumed.

• **Fifth Cut**—The new pay cut, effective Dec. 1, is the fifth since June, 1948, when GM-type contracts took effect in the auto industry.

Walter Reuther, head of UAW, objected mildly to the cut, commenting that the decline in c of l reflected in BLS' index is due largely to seasonal food factors that have already turned up again. The workers are taking a penny pay cut, he said, while prices are climbing instead of dropping.

How Cost of Living is Changing

	Total Cost of Living		Food		Clothing		Rent	
	Old	New	Old	New	Old	New	Old	New
October, 1941	109.3		111.6		112.6		107.5	
October, 1942	119.0		129.6		125.9		108.0	
October, 1943	124.4		138.2		133.3		108.0	
October, 1944	126.5		136.4		141.9		108.2	
October, 1945	128.9		139.3		148.5		108.3	
October, 1946	148.6		180.0		168.1		108.8	
October, 1947	163.8		201.6		189.0		114.9	
October, 1948	173.6		211.5		201.6		116.7	
October, 1949	168.5		200.6		186.8		121.5	
January, 1950	166.9	168.2	196.0	196.0	185.0	185.0	122.6	129.4
October, 1950	174.8	175.6	209.0	210.6	193.4	193.0	125.0	132.0
January, 1951	181.6	181.5	221.6	221.9	199.7	198.5	126.0	133.2
October, 1951	187.8	187.4	229.2	229.2	211.0	208.9	130.8	138.2
November	189.3	188.6	232.1	231.4	209.9	207.6	131.4	138.9
December	190.0	189.1	233.9	232.2	209.1	206.8	131.8	139.2
January, 1952	190.2	189.1	234.6	232.4	206.7	204.6	132.2	139.7
February	188.3	187.9	229.1	227.5	206.1	204.3	132.8	140.2
March	188.4	188.0	229.2	227.6	205.6	203.5	132.9	140.5
April	189.6	188.7	232.3	230.0	205.0	202.7	133.2	140.8
May	190.4	189.0	234.6	230.8	204.4	202.3	133.7	141.3
June	191.1	189.6	236.0	231.5	204.0	202.0	134.0	141.6
July	192.4	190.8	239.1	234.9	203.3	201.4	134.3	141.9
August	192.3	191.1	238.4	235.5	202.7	201.1	134.7	142.3
September	191.4	190.8	234.7	233.2	203.6	202.3	134.7	142.4
October, 1952	191.5	190.9	234.1	232.4	203.2	202.1	135.3	143.0

*BLS has revised its formula for computing the cost-of-living index (BW-Mar. 10, '51, p112). Since the old index is still widely used in labor-management bargaining, BLS will continue issuing both sets of figures at least through 1952.

Note: U. S. Bureau of Labor Statistics.

BUSINESS AFTER BUSINESS

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oil company

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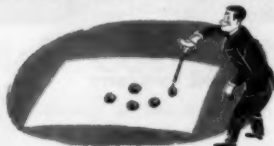
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COMPARING NOTES, UTW president Anthony Valente (left), staff aide John Vertente, Jr., and organization director George Baldanzi (right) plot future strategy, as . . .

AFL Sets New England Textile Drive

Encouraged by successes in South after split in CIO's textile union, UTW plans to broaden its drive.

The rejuvenated United Textile Workers (AFL) will broaden its organizing efforts in New England next week—extending its campaigning to a cluster of five mills now covered by a contract between the operators' New Bedford (Mass.) Cotton Manufacturers Assn. and CIO's Textile Workers Union of America.

TWUA's contract for the mills' 9,000 employees runs until next April. UTW plans to press for a National Labor Relations Board representation election about a month before that date.

• **Rebirth**—The AFL union got a new lease on life when TWUA split apart in an argument last spring between its president, Emil Rieve, and executive vice-president, George Baldanzi. The latter, defeated in an effort to unseat Rieve (BW—May 24 '52, p. 166), switched to UTW, then a union with about 90,000 members and little aggressiveness.

AFL opened its purse strings for UTW, and the union—aided financially—hired 40 Baldanzi partisans from TWUA's old staff. It quickly launched an organizing drive.

• **Early Gains**—UTW concentrated first on points of Baldanzi strength in the South, particularly in North Carolina—where a large bloc of pro-Baldanzi locals had quit TWUA with him. Later, UTW extended its large-scale operations into Pennsylvania, also a Baldanzi

stronghold. In six months UTW picked up a claimed 20,000 new members.

In making this gain, UTW took over 21 mills formerly represented by TWUA, nearly half in North Carolina. Most were by large votes, since "secessionist" groups from the CIO union were involved.

Included in the plums picked up by UTW were big units of Dan River Mills, Erwin Mills, and Cone Mills.

• **Victory Discounted**—TWUA doesn't discount its southern losses to UTW. James Bamford, who heads the CIO union's southern operations, agrees that they have hurt. But he says UTW's policy has been to go into "plants where they have been pretty sure of themselves." Now that they have picked up those groups, he says, "from here on their batting average isn't going to be so good."

The concentration of UTW organizers in the South so far has kept TWUA off balance. It has had to fight mostly a defensive action. But it plans to do some raiding of its own now, and it hopes to get on with its job of organizing among the bulk of the South's nonunion textile workers.

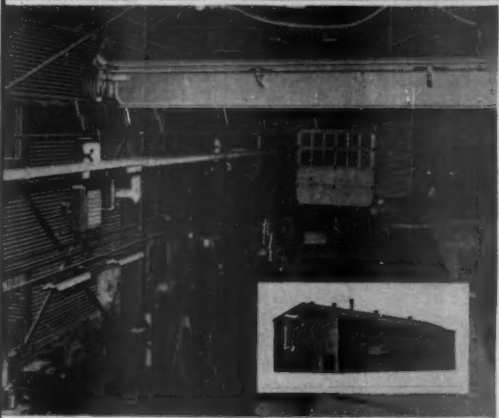
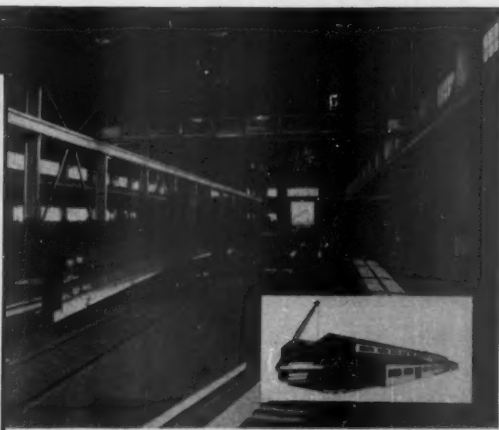
• **Long Pull Ahead**—All admit there is still a big job to do. According to UTW's figures—contested by TWUA—the AFL union acts for 35,000 southern textile workers now, as compared with

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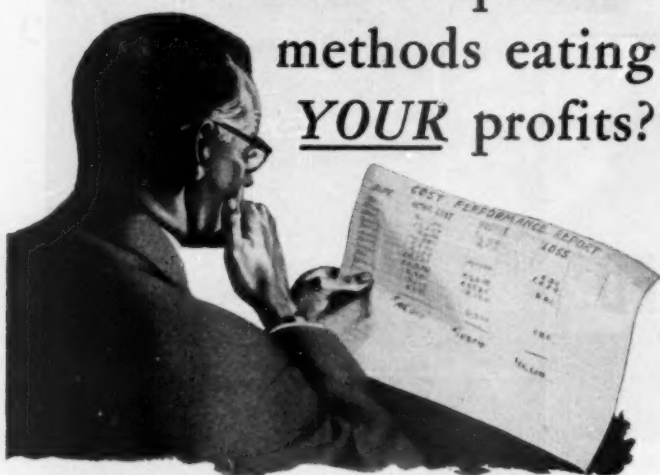


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TWUA's 23,000. The CIO union estimates UTW's Dixie membership at 25,000 and claims 55,000 to 60,000 members.

Even taking the largest claims of both, the total membership is hardly a drop in the bucket in the South—where there are 700,000 textile workers, hardly more than 10% organized.

In the AFL-CIO feuding, little real effort has been made recently to sign up the nonunion mills, and where efforts have been made there has been no marked success. UTW several weeks ago lost a big prize, Cone Mills' big White Oak Mill at Greensboro, N. C. Workers there voted 1,149 for no union; 795 for UTW; and 82 for TWUA, which had a contract covering the mill until it lost it in 1951.

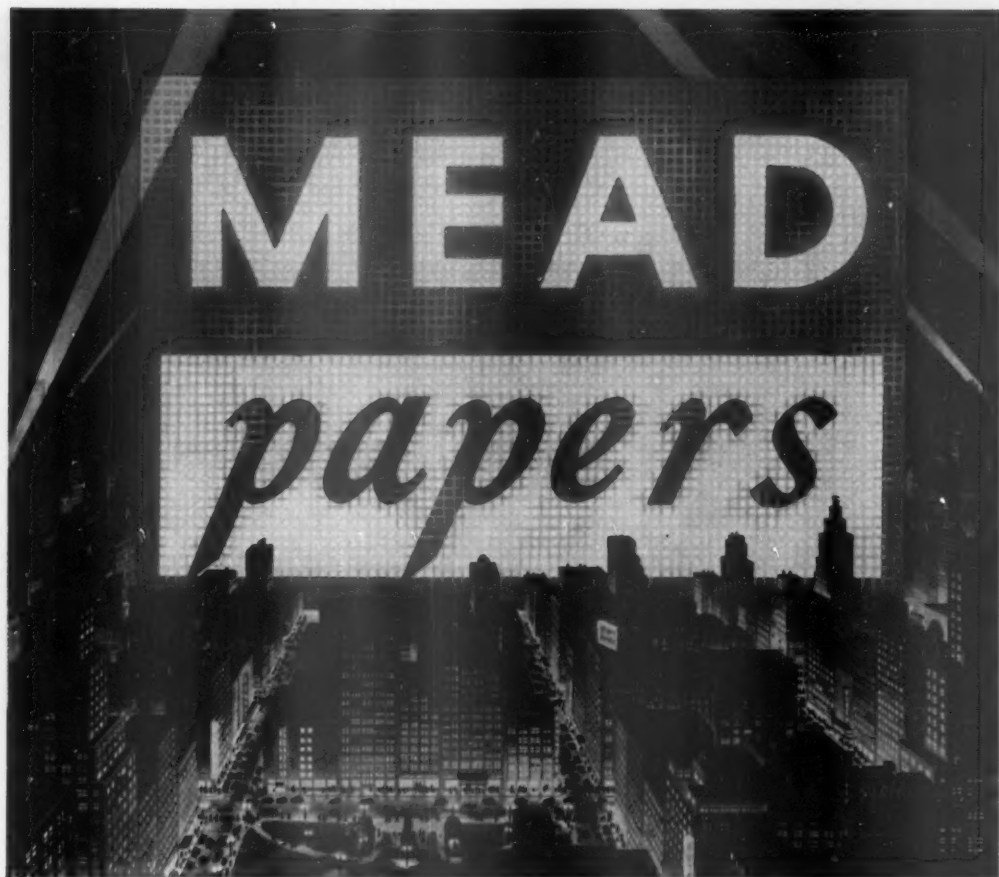
LABOR BRIEFS

No raises are going to most of 5,000 New York shoe workers under a contract between the United Shoe Workers (CIO) and two employer groups. Employees earning less than \$1.25 an hour (an estimated 200) will get the only increases—up to 10¢. If BLS' monthly cost-of-living index rises at least 2% in the next six months, contract can be reopened on wages only.

Old-fashioned methods beat striking AFL bus drivers in Columbus, Ga., and ended a 45-day stoppage. Columbus Transportation Co. warned the strikers they would lose their jobs if they didn't report back to work. When they held out, the company hired new crews to run its buses, got police protection against pickets. The union finally gave up.

Economic matters that affect Hawaiian members of Harry Bridges' leftwing longshoremen's union are secondary during the Smith act trial of alleged Communists in Hawaii. Even "pending grievances should be forestalled if . . . anything having to do with the trial comes up," a directive tells unionists.

The pictures—Cover by Bob Iscar. Bell Telephone Laboratories—66; British European Airways—88; George F. Butler—82; Bill Clinkscales—32, 33, 34; European—46 (ctr. lt., bot. lt.); Harris & Ewing—31 (lt.), 114; Int. News—46 (bot. rt.), 90, 113 (bot.); Carter Jones—68, 69; Herb Kratovil—54, 55; Pix, Inc.—46 (top, ctr. rt.); United Press—28 (lt.), 29, 31 (rt.), 113 (top); U. S. Gypsum Co.—78; Wide World—28 (rt.), 30.



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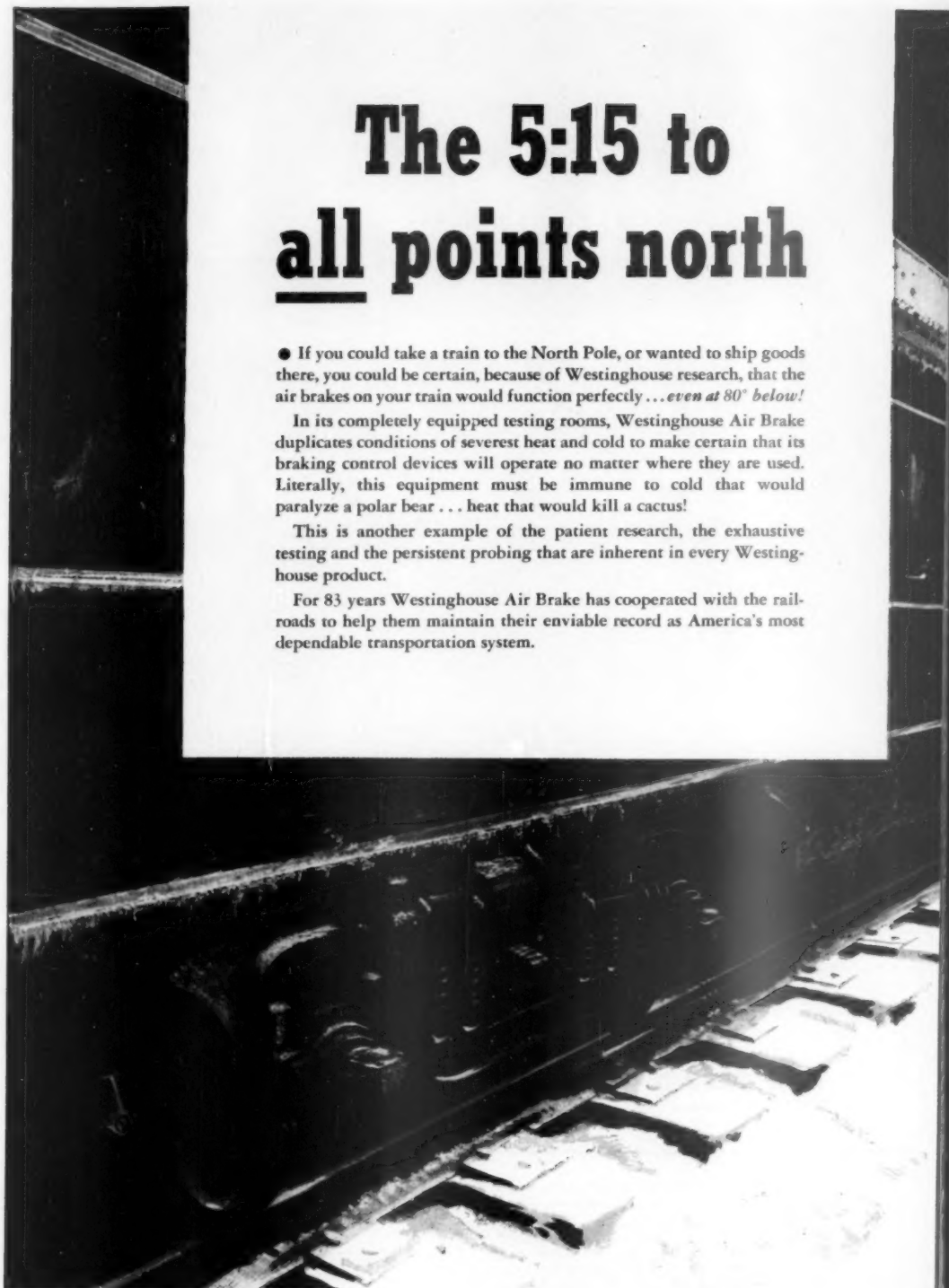
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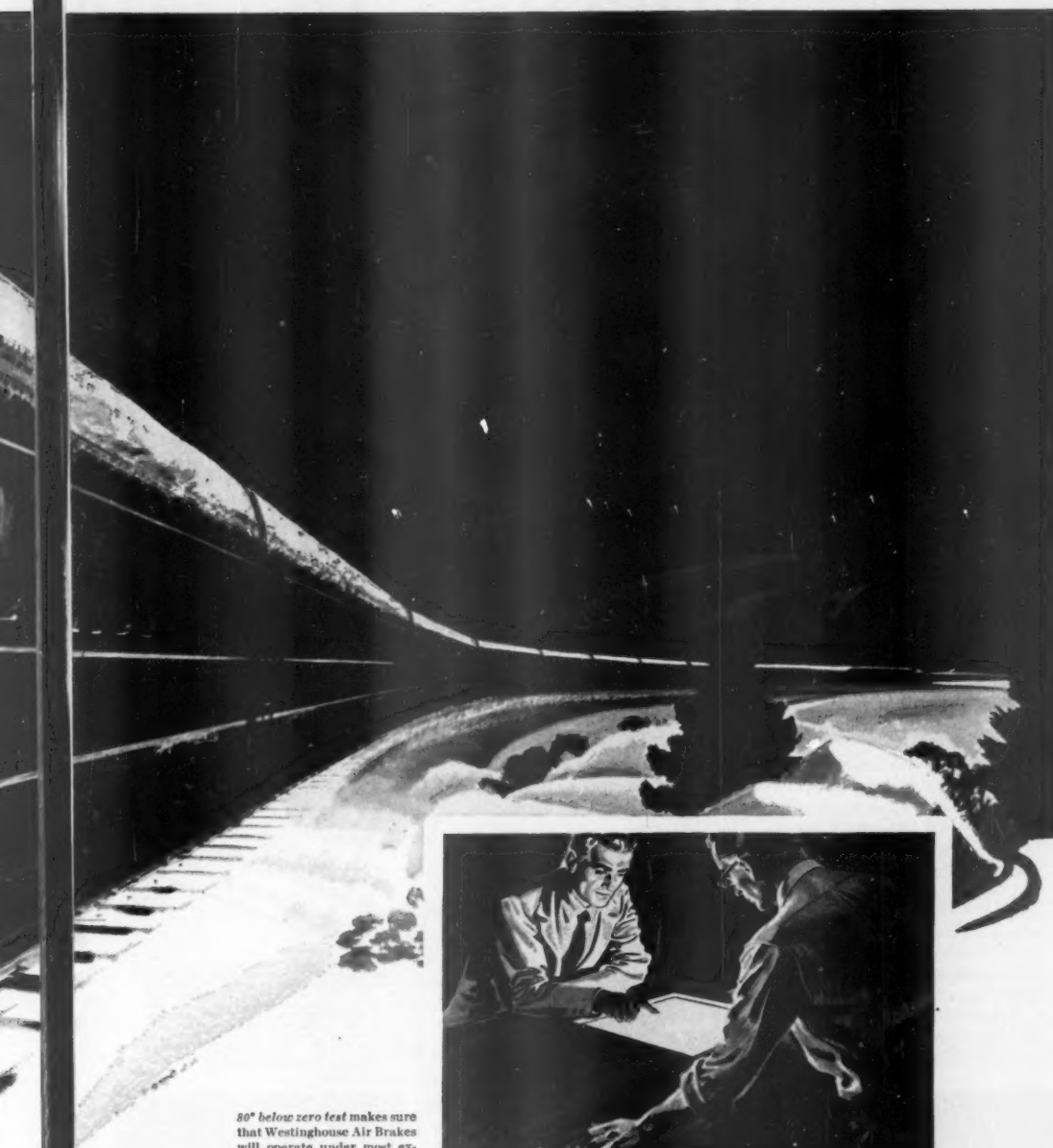
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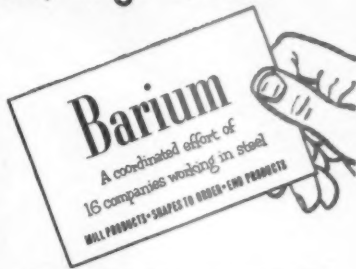
This photo shows a seamless tube hot-extruded by Curtiss-Wright from a forging of Barium's Industrial Forge & Steel, Inc. (the tube will become a hollow steel propeller blade). It's this ability of suppliers to provide plane producers with vital raw materials, parts, complete assemblies, that helps boost aircraft output.

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PERSONAL BUSINESS

BUSINESS WEEK
NOVEMBER 29, 1952



This might be a good time to check the fire insurance policy on your home, if you haven't done it lately.

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- You may have no protection against damage from certain causes—wind, hail, explosion—or against some of the costs you'd have to bear if you couldn't live in the house.
- You may be overinsured, carrying coverage on furniture or equipment that you've sold or otherwise disposed of.

“Exactly how much am I insured for if a part of my house burns down?” A common answer is the cost of replacing old with new, but that usually isn't so.

Here's how the payoff on most policies works: Say you have a \$25,000 house, and a fire burns out a wing of it. You ask a builder what it will cost to replace the burned-out wing. He gives you an estimate of \$10,000.

Even if the company agrees that this is a fair replacement cost—and it usually does—it won't pay you that much. That's because most policies cover replacement less depreciation. But there's one way around that, too: You can insure the depreciation, or “replacement cost” for an added premium.

If your \$25,000 house is a total loss, the company will usually settle for the full amount of insurance carried. But note that the ordinary policy has no agreement to pay this, or any other, fixed sum; settlement is technically a matter of adjustment.

Exception: “valued” policies, required by several states, which fix a definite amount to be paid in total loss.

Don't expect the face value of a policy, in the event of total loss, to come up to current market value. Inflation has made it next to impossible to insure for the selling price of property. Moreover, no policy will cover more than an “insurable interest”—depreciation is always taken into account.

A man seeking full protection on his house can fatten a portfolio with different types of coverage. Here is a rundown of some:

- **Basic policy:** This insures the house and its permanent fixtures (boiler, pump, etc.) against damage or loss from fire and lightning, or from any smoke or water damage occurring as a result of a fire. The contents of the house—household effects and personal property—can also be covered.
- **Extended coverage:** This is a rider on your basic policy, costs only a few extra dollars. It widens the protection to include direct loss from wind-storm, explosion, riot, aircraft, vehicles, and smoke (but not from a fireplace). This is widely used these days.
- **Additional extended coverage:** Adds loss by water damage from plumbing and heating systems, ice, snow, freezing, etc.
- **Rent or rental value:** Protects against loss of rent, or of rental value, when a house can't be lived in because of damage.
- **Additional living expense:** Compensates for added costs to continue “as

PERSONAL BUSINESS (Continued)

BUSINESS WEEK
NOVEMBER 29, 1952

nearly as practicable the normal conduct" of your household when you're forced out of your home.

High taxes add one odd twist to fire insurance today. A man with a really top income might be better off with no coverage at all.

Figure it this way: In a 70% or 80% income-tax bracket, a loss would mean big savings in taxes, since it would be deductible from income if the person had no insurance. The saving might well work out to be more than a policy settlement (after subtracting what was paid in premiums).

Getting space on a cruise ship this winter is going to be troublesome—unless you're booking for February or March—despite more sailings. Here is the situation:

Cruise ships, generally, are sold out for over the holidays and are booked heavily into January. Noncruise passenger runs are pretty well filled up, too, though the squeeze probably isn't quite so tight.

If your plans call for a definite date, it may mean you'll have to postpone it, or try the airlines.

Everything points to another big vacation season—both abroad and in the U.S. One leading travel agency says it's never seen anything like this fall's demand for reservations.

Generally, the most popular areas outside the U.S. rank as: (1) the Caribbean; (2) South America; (3) the Mediterranean.

Rates so far are about the same as last year. A luxury cruise will run from \$80 a day up for you and your wife. Noncruise, you can buy 10-day packages for the two of you for under \$500. But picking and choosing the best—outside a package trip—is likely to run closer to \$750 or \$1,000.

For the Bahamas and much of the Caribbean, you don't need a passport. For most of South America, you do. In addition, you may have to have visas, vaccination certificates, health certificates. Your travel agent is the man to tell you just what each country requires.

What happens if you lose a passport while traveling? The answer: a lot of things, most of them bad.

In Europe, you might have to stay at one address for several weeks while embassy people check to see if the papers turn up in black-market channels. Or you may be allowed to move around the country—but not to leave it. Or you might be able to get a temporary passport, good for just the trip home.

At best, getting new papers means red tape and some delay.

One reason estate taxes often cost more than they should is that businessmen fail to fix the value of their property. Assessment is left up to tax officials, and that usually means an evaluation on the high side.

Any man who is a partner in a business, or who owns stock in a closely held corporation, ought to look into a "buy and sell" agreement as a way of pinning down the worth of his holdings. The agreement, as it applies to partners, simply provides that when one of them dies, the other will buy his share in the business—at a price usually set forth in the agreement. (The partners, at the same time, may insure each other to cover this price.)

Generally, tax officials will accept the agreement price in fixing the value of a holding for the estate tax.

How Glass Saves Thousands of Dollars In Cleaning Costs

Ask your wife *which* she would rather clean . . . a glass pot or pan—or one made from some other material? The answer is obvious. The hard, smooth surface of glass saves hours of scrubbing and scouring.

Easy cleaning is also one of the big reasons why many industries are turning to glass. Dairies, for example, realize substantial savings because glass pipe can be cleaned *in place*. No taking it down and laboriously hand-scrubbing it every day. Laboratory technicians, too, know that only glass sterilizes so rapidly—cleans so absolutely. The popularity of glass panels in modern lighting fixtures stems from ease of cleaning as well as controlled light transmission factors. And the transparency of glass lets you see that it is clean.

Ease of cleaning is only *one* of many advantages that makes glass such an excellent design and engineering material. It's also durable. It never rusts, never decays. It can stand high temperatures—and sudden temperature changes. It's a good electrical insulator—and can be made to conduct electricity, too. It's low in cost—and can be made in almost any size and shape you need.

Take a new look at glass by Corning in relation to product design. Use it to improve appearance and performance or to cut costs. It's a natural in many new processing operations. Hundreds of "ideas in glass" are included in the literature described at the right. Any or all of these bulletins will be sent you on request.



Glass coffee makers clean quickly without scrubbing or scouring. The best coffee is made in glass because it retains no off flavors.



Simple rinsing cleans the hard, smooth surface of this glass pipeline *in place*—really gets the bacteria count down. Transparency enables you to see what goes on inside.



Bacteriologists use thousands of these PYREX brand Petri dishes because they sterilize rapidly without clouding or cracking.

Can glass improve your product, too?

Start building your glass library with these publications. Those of interest to you are yours for the asking by writing to Corning Glass Works, 31 Crystal Street, Corning, N. Y.

IZ-1 "Glass, Its Increasing Importance In Product Design"

B-83 "Properties of Selected Commercial Glasses"

B-84 "Design And Manufacture of Commercial Glassware"

B-88 "Glass in the Design of Electrical Products"

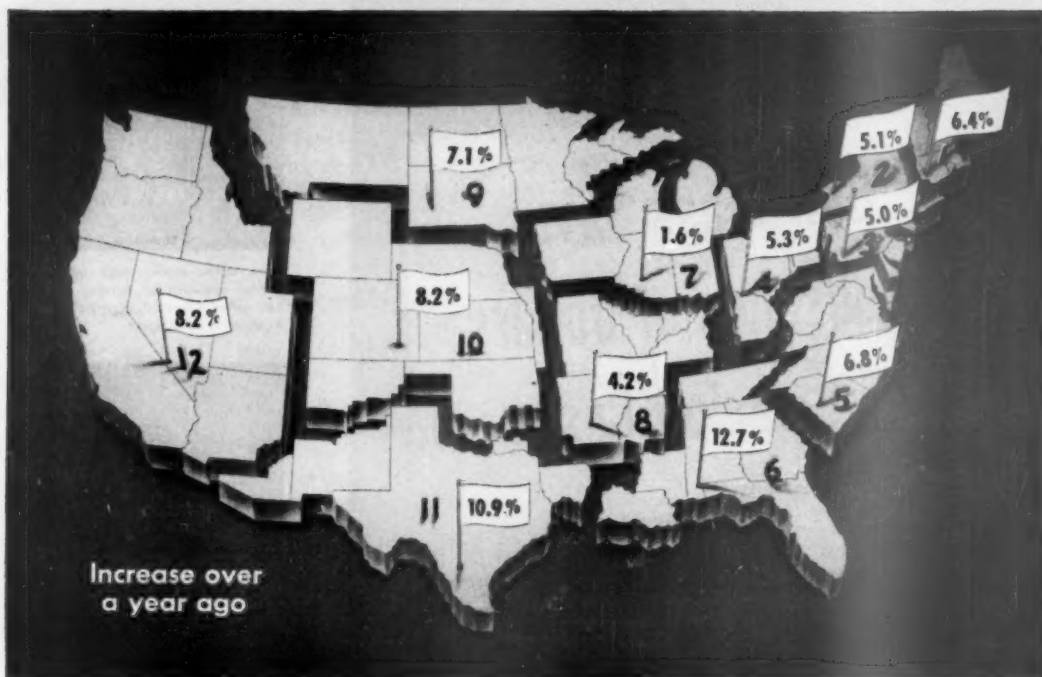
PYREX is a registered trade-mark in the U. S. of Corning Glass Works



CORNING GLASS WORKS, CORNING, N. Y.

Corning means research in Glass

REGIONAL REPORT



Federal Reserve District	September 1951	August 1952	September 1952	Federal Reserve District	September 1951	August 1952	September 1952
1. Boston	232.6	242.5		7. Chicago	277.7	277.2	
2. New York	248.0	257.5		8. St. Louis	281.0	283.3	
3. Philadelphia	249.9	257.0		9. Minneapolis	287.7	309.6	
4. Cleveland	268.3	277.0		10. Kansas City	323.2	348.8	
5. Richmond	287.6	304.0		11. Dallas	354.5	393.2	
6. Atlanta	312.5	355.3		12. San Francisco	306.7	323.9	
1941 = 100; adjusted for seasonal September figures preliminary, August revised				U.S. Composite	277.9	290.8	294.8

Income Climbs 6% Over 1951

With business moving upward between August and September, the national composite of BUSINESS WEEK's Regional Income Indexes gained 1.4%. And the indexes promise to continue to climb through the rest of the year.

The forward surge of activity shows clearly in comparison with year-ago figures. In March, 1951, the index was almost 20% ahead of the year before.

Since that time the lead has narrowed steadily, until in July, 1952, it was down to a low of 3%. August saw the margin go up to 3.6%, and now it has widened to 6.1%.

• **Southern Areas Gain**—The Atlanta, Dallas, and Kansas City regions still lead the country in gains from a year ago. But both Atlanta and Dallas lost ground between August and September of this

year, mainly because of the drought that handed both regions a real shellacking. On the other hand, St. Louis, which was not hurt nearly so badly by drought, showed the biggest gain from the month before—3.4%.

• **Farmers Fall Behind**—Net farm income for 1952 will be around 3% under 1951. And in 1953 the net may fall even further below. A combination



How much punishment can a sensitive instrument take?

Probably you've read about the new ruggedized instruments. And wondered whether highly sensitive milliammeters, for example, now are so constructed as to withstand high shock from gunfire, long submersion at temperature extremes, and the terrific jolts and vibration on mobile war equipment . . . and yet remain operable and accurate.

The answer is, yes! WESTON now builds them that way to meet military needs. These instruments, requiring only .001 ampere for operation, have successfully passed all the rigid test requirements, and have received full qualification approval under specification MIL-M-10304 (U. S. Signal Corps).

Just how tough are these tests? ** Plenty tough, plenty rough!* First, the steel ball drop test to make sure cover windows will not break and expose sensitive innards . . . then the 2000 ft. lb. hammer test, dropped re-

peatedly against a panel on which the instrument is rigidly mounted . . . then repeated cycling in hot and cold water for long hours . . . then prolonged tumbling tests in special barrels which slam the instrument at each revolution.

Instrument users logically will ask, "Are these instruments produced exclusively for military service?" The answer is, no. While primarily developed by WESTON as a contribution to our defense program, these same instruments, or others employing the new design principles and new techniques, will make possible *precise instrumentation* for many new and tough applications throughout all industry. WESTON Electrical Instrument Corporation, 617 Frelinghuysen Avenue, Newark 5, New Jersey.

*A bulletin containing full description of these tests is available to instrument users on request.



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An entirely new tape created by MYSTIK's exclusive *Balanced Formula!* The cellulose fiber backing—saturated with a special rubber compound—actually is more rubber than fiber. Thinner, stronger, fully creped for double flexibility, this backing is in perfect balance with the right adhesive strength to hold under all conditions . . . yet strip off clean and fast in one piece. This perfect balance makes MYSTIK Brand Thinflex the *fastest* and best masking tape made. Makes sharper lines . . . leaves no residue—stain-resistant . . . does a better job faster, at *lower cost!* You've never tried a masking tape like MYSTIK Brand Thinflex! Write for information and samples. Mystik Adhesive Products, 2636 N. Kildare Ave., Chicago 39.

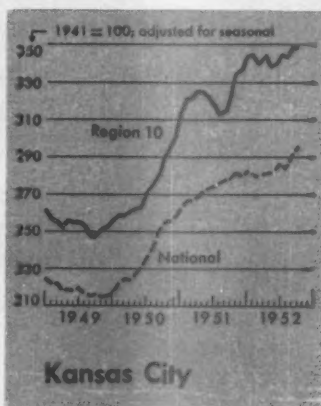
Self-Stik Waterproof Cloth Tapes—14 colors! • New Mystik Thinflex® Masking Tape
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of lower farm prices and rising costs, plus the widespread Indian summer drought that is hurting winter wheat badly, has dimmed farm prospects.

Here is how BUSINESS WEEK reporters in four of the 12 regions see the news that has affected trends in income since September:



THE KANSAS CITY region is moving along in high gear. The one notable piece of bad news is the generally warm and dry weather, which is holding back retail sales now, and, more important, is casting a long shadow on farm income prospects for 1953.

• **Wichita Booms**—Business is stable pretty much throughout the region, with employment up a little, unemployment down a little. Wichita, which has been booming for some time, remains the strongest city in the region, and the only one classified as a labor-shortage area. Employment is running some 10% ahead of last year, with over 75% of these new workers in the aircraft industry. Kansas City, Denver, Tulsa, and Omaha are also strong, followed by Albuquerque and Oklahoma City.

Employment in the Denver area has increased slowly but steadily since the Korean outbreak. In line with the city's character as primarily a trade and service center for a large portion of the Rocky Mountain region, the largest gains have come in trade, government, and services, rather than in manufacturing. These three sectors now employ more than half of total nonfarm workers; less than 20% work in factories.

• **Labor Tight**—In Omaha, labor demand is so high going into the Christmas season, and labor supply so tight, that the Nebraska State Employment Service is asking workers already employed to take on a temporary second shift on other jobs to ease the situation. Two new industries that will

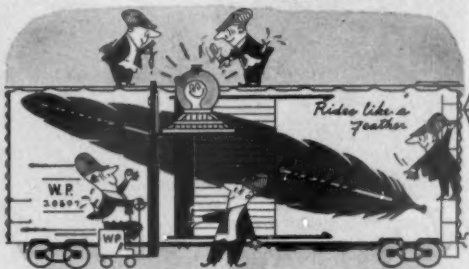
Nothing is too much trouble!*



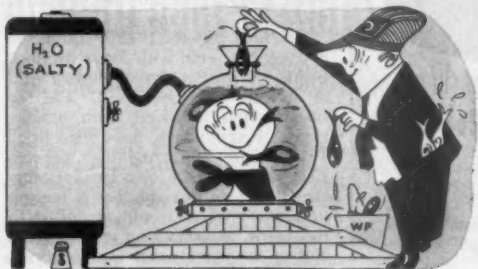
1. Shippers with particularly difficult freight handling problems will do well to turn to Western Pacific for help in finding a solution.



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3. This same personal interest extends to the handling and safeguarding of shipments in transit.



4. Western Pacific believes that its customers have every right to expect SUPER SERVICE when they route their shipments "via WP."



5. In fact, nothing is too much trouble if it's a question of saving a Western Pacific shipper time, money or headaches.



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Imagine 12,750 precision-made sprockets a day! That's the amazing capacity of the Lees-Bradner 7-A 8-Spindle Automatic Hobber.

These center-guide sprockets are 3" in diameter, have 19 teeth each, and are made from SAE 1040 steel. Close tolerances are mandatory because the sprocket is used in the timing mechanism of an automobile engine.

The simplicity, ruggedness and ease of operation of the 7-A have made it first choice in high production plants. Automatic push-button controls make it possible for even unskilled workers to set production records.

Your Lees-Bradner representative will be happy to give you all the facts on the Model 7-A 8-Spindle, 4-Spindle or Single Spindle Hobbers. Call him or write us for his name and address.

**Running at 100% efficiency on 3 8-hour shifts.*

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start building after the first of the year will give 1953 a running start towards becoming the best construction year in Omaha history. Allied Chemical & Dye Corp. is building a \$29-million nitrogen and urea plant, and Continental Can Co. is building a \$25-million plant.

Tourist trade is getting more and more important in Wyoming as a whole. During the height of the tourist season, workers in the state's national parks and recreation spots make up better than 10% of total nonfarm employment.

Moving against the usual seasonal trend, coal mining has been curtailed in Raton, N. M., causing unemployment in that area.

• **Indifferent Sales**—Indifferent is the best word to describe the current retail trade picture for the region as a whole—neither very good, nor very bad. Mostly, the weather is being blamed, first because it's too unseasonably warm to produce any real interest in shopping for winter, and, second, because drought has made farmers cautious in their buying, despite good income this year.

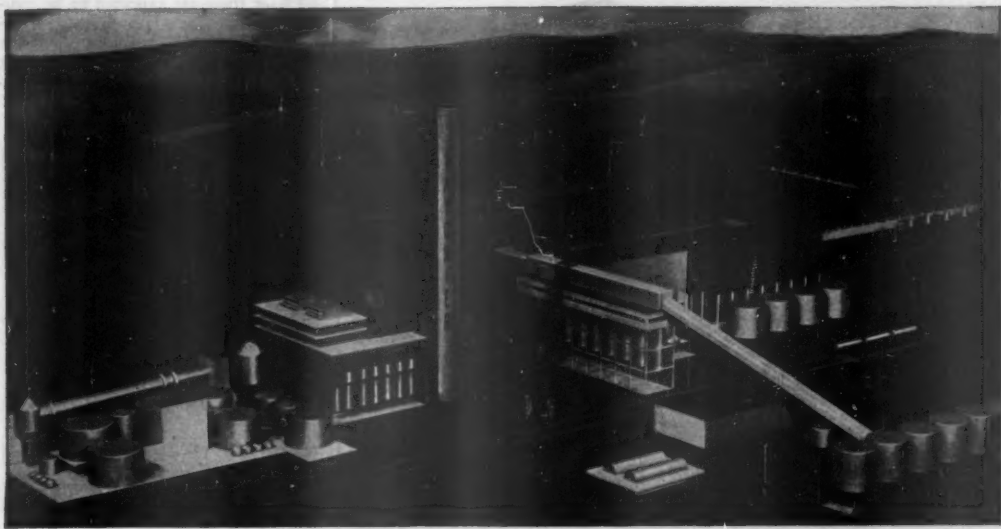
• **Farmers Gain**—The region's farmers, at this point, can look back on a year in which income was uncommonly good, and ahead to a year whose income prospects are, to say the least, uncertain.

The final tally for 1952 is still in the making, but, even with lower livestock prices, the region should show a gain of at least 10% over 1951. The big bonanza was in wheat, with production at a record high, more than twice 1951's short crop. And high per-acre yield kept unit cost low. Paradoxically, the late-season drought that is hurting next year's wheat is adding dollars to this year's, by firming up prices for the part of the harvest that is still unsold. Many farmers, particularly in Kansas, have been rewarded with an unexpected price bonus for holding back their grain.

• **Rain Needed**—They'll need that money. The 1953 crop of winter wheat has been seeded in the driest soil in 12 years and has deteriorated nearly everywhere since it went into the ground. Without rain, the region faces the prospect of heavy abandonment, low yields, and an all-around poor crop.

The dry weather had little effect on corn, since the crop was virtually made before the drought set in. In fact, the dry weather has helped to condition the corn and has made harvesting easy. Nebraska had an excellent crop, 40% better than last year's and almost 20% better than average.

This healthy corn crop, and the unusually high number of feeder cattle, point to a big volume in meat production, both for this year and next. Nebraska entered the fall season with 23% more feeders than a year ago. Nearly



RAYONIER SELECTS EBASCO TO BUILD HUGE CELLULOSE MILL

Work now in progress on \$25,000,000 Georgia Plant

When Rayonier, Inc. decided to construct a \$25,000,000 chemical cellulose mill at Jesup, Georgia, they chose EBASCO for the job. This new mill, on a 530 acre site, is designed to produce annually 87,000 tons of purified cellulose—a superior grade of pulp developed by Rayonier's Research Division.

EBASCO engineers, constructors and consultants are working as a team to handle the entire job, from planning, designing and purchasing through the construction and final testing of the plant. This is an important advantage of EBASCO service... complete follow-through on each assignment—in this case, from vacant site to actual operation.

For almost fifty years, EBASCO has rendered design and construction services to top management of business and industry. It has planned and built over a billion dollars worth of new plants of every description—all over the world.

When your company requires a new plant—or modernization of a present one—it will pay you to turn the entire project over to EBASCO. Or, if you desire, EBASCO will handle any part of your job.

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NITRATION PULP for explosives is important to both the expanding needs of industry and to those of the armed forces. To enable the mill to produce such products when necessary, EBASCO and Rayonier engineers have provided a flexible mill design.



WOOD HANDLING SYSTEM for the mill will be able to accommodate 50 carloads of logs brought in from forests daily. This drawing is an engineer's conception of how the wood handling system will operate when it is installed at the plant.



SUPPLIES BEING DROPPED by parachute. Only the finest yarn can pass the rigid tests for use in cargo parachute cords. The superior cellulose to be produced in the Jesup plant will be used to make the high tenacity yarns needed for cargo parachute cords, tire cords, and in rubber belting.



It's time to take a new look at the "working" plastics

The list of materials you could profitably use for a given product or part six months ago may be obsolete now.

In the field of phenolic plastics alone, recent Durez developments can offer you savings in production and assembly costs, improved product service, and greater salability.

A re-survey of the materials picture will show you, for example, that parts to be *metal plated* can now be molded from a new Durez phenolic having excellent physical properties. If you never used plastics because the service your products undergo is "too rough," we have another new material with impact strength as high as 20 foot-pounds per inch (Izod). This is more than double the impact you could get heretofore.

Perhaps you manufacture electrical devices using silver contacts? We have a new phenolic that eliminates the problem of contact corrosion.

These and other results of our continuing plastics research can be utilized conveniently. Custom molders of

Durez can serve you from the rough-drawing stage on in... can deliver finished moldings that meet your most exacting tests.

Our field technicians are at your service. Just write.

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PHENOLIC RESINS

MOLDING COMPOUNDS

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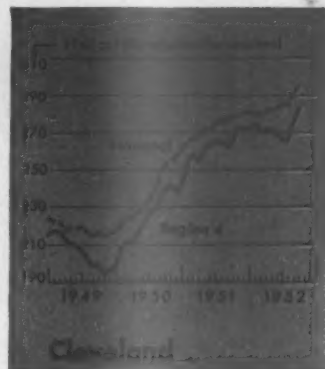
Our monthly "Durez Plastics News" will keep you informed on industry's uses of Durez. Write, on office letterhead.

DUREZ PLASTICS & CHEMICALS, INC.

4011A Welch Road, North Tonawanda, N. Y.

PHENOLIC PLASTICS THAT FIT THE JOB

60% of these are expected to be marketed before Jan. 1, and, even at reduced prices, this should fatten out the income from livestock. And for next year, the corn crop insures uninterrupted and low-cost feeding.

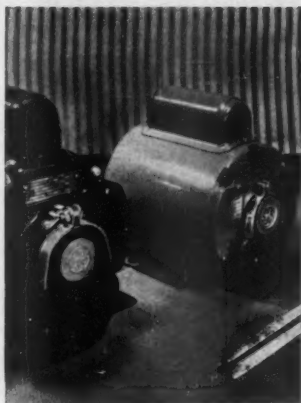


THIS HEAVY industry region is in excellent shape. The steel industry's push to make up production lost in the strike, a pickup in demand for consumer goods, and continued hiring by defense industries combine to produce booming conditions.

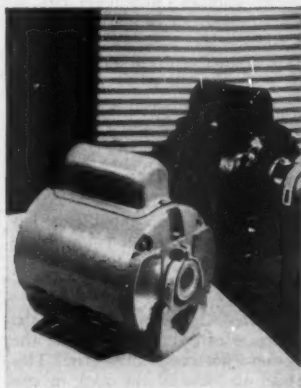
For Ohio as a whole, employment set a postwar record in September and climbed to another new high in October. By the same token, unemployment is at the lowest point since the war, with less than 20,000, out of a work force of 3-million, claiming jobless pay.

• **Cities Share Boom**—All major cities are joining in the boom. The expansion programs of various steel companies are completed or nearing completion, and the steel mills in the region are operating substantially above rated capacity. In Youngstown and Cleveland, this high operating rate has helped to cut the unemployment ratio to far below pre-strike levels. Such auto parts centers as Toledo, Cleveland, Cincinnati, and Columbus are helped by high production in the auto industry. Continued hiring at North American Aviation, which now has some 17,000 workers on its Columbus payroll, has boosted employment in Columbus to a new postwar peak. Mansfield and Dayton are helped by the spurt in demand for home appliances, as Westinghouse and Frigidaire recall hundreds of workers.

• **Tool Orders Slow**—The peak of emergency production of machine tools will probably end in early 1953. The industry is shipping more month by month. Currently, shipments are at an annual rate of better than \$1.2-billion. At the same time, new orders are trending downward and, since April, have not kept up with shipments. At today's



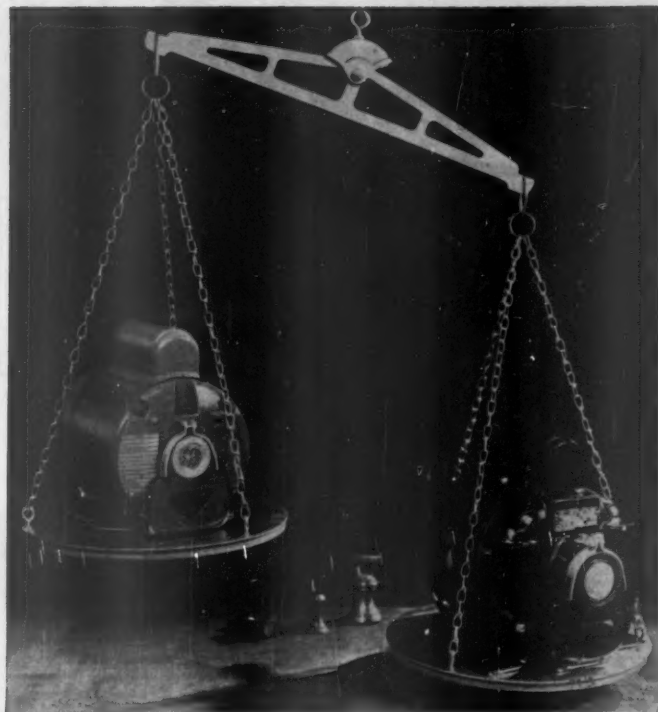
SMALLER . . .
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MORE VERSATILE . . .
all-angle operation



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Here's the most advanced design in fractional horsepower motors. Rating for rating 25 to 50% lighter, up to 40% smaller than previous motors. These features can cut your costs on shipping, storage and assembly.

Too, you can mount the new G-E motor at any angle, shaft up—shaft down—or any intermediate position. The quiet all-angle bearing and new lubrication system (plus better-than-

ever insulation) assure long life with little or no maintenance.

The compact design and clean lines of the motor will blend with the modern styling of your product—add to its salability.

Ask your nearest G-E Apparatus Sales Office for more information on the new G-E fhp motor! Or write Section 700-124 for Bulletin GEA-5567, General Electric Company, Schenectady 5, N. Y.

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NEW BUILDINGS, ready early '53, for term lease or sale. Or will build to suit. Public warehouse space open now.

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executives; administrative, technical, or junior, advertise for them in the "clues" section of **BUSINESS WEEK**. More than 220,000 of them read this publication each week.

SALES MANAGER HOSPITAL FIELD

Qualified sales executive needed to organize and direct sales department with national coverage to sell to the hospital trade a widely accepted and government-approved synthetic blood plasma volume expander. This is top-level, starting at scratch with a reputable firm of AAA1 rating. The company is ready to market a unique product of outstanding interest and possibilities. Clinical tests throughout the country have proven its merit. Only men of conspicuous qualifications and demonstrated specialized ability will be considered. Location — eastern Pennsylvania. Since this marks the opening of a new division, this advertisement will not affect present personnel. Write giving full details.

SW-6073, Business Week
330 W. 42 St., New York 36, N. Y.

rate of production, the industry as a whole still has close to a year's backlog—but this compares with close to two years' in September, 1951.

• **Ore Shippers Push**—Lake shippers are working feverishly to make up part of the iron-ore tonnage lost during the steel strike before winter closes in. Through Nov. 1 they had shipped 65-million tons, as against 83-million last year. They are aiming at a total of 75-million tons, and steelmakers figure that this, plus some 5-million shipped by rail, and reserves left over from last year, will be enough to keep blast furnaces in full operation through the winter.

Hiring of workers for the new \$1.2-billion atomic energy plant in Pike County has not yet reached volume proportions. This is still one of the poorest areas in the state, and unemployment in Portsmouth, headquarters for the new plant, is still higher than in Columbus—a city 10 times its size. But the area is sure to gain momentum. Gallipolis, another Ohio River city in this area, stands to benefit immensely from a new power plant that the Ohio Valley Electric Corp. will build there to supply power for the AEC plant. And, in their turn, the entire southeastern coalfields will benefit as they supply most of the fuel for the power plant.

In western Pennsylvania's Fayette County, the pace is not so brisk as was expected after recovery from the steel strike. Coal and coke production has been lagging, as in other parts of the country, because of the rapid conversion to oil and gas heating. At Uniontown, in the heart of the area, the L. J. Houze Convex Glass Company is starting the manufacture of civilian goggles for the protection from atomic blast glare. This will take up some of the slack in employment.



THE OVER-ALL picture for the Philadelphia region has brightened considerably in the past three months. At last the textile industry, the region's real

REICHOLD

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soft spot in the past, is picking up. Now this turnaround in textiles has combined with a speed-up in defense work and seasonal upturns in food and apparel to push employment to a new record level.

• **Fairless Works Opening**—The new Fairless plant of U. S. Steel, at Morrisville, Pa., is about 80% complete. Coke oven fires have already been started in the slow warming-up process, and the plant will start producing its first steel in December. Since construction began in March, 1951, on what was then just farmland, this makes it the fastest-built steel mill of its size on record.

The impact on lower Bucks County, as well as nearby Mercer and Burlington counties in New Jersey, has been terrific. Fairless already has a substantial maintenance force on its payroll, and large numbers of production workers will be hired next month. At peak operation, the plant will employ several thousand. Allied industries, springing up all around the plant area, are adding to the demand for workers. The Morrisville-Bristol area, in Pennsylvania, is at the hub of activity, and, as a result, is rapidly gaining momentum as thousands of new homes and trade and service facilities to accommodate new workers go up.

• **Sales Lag**—Employment in Philadelphia itself is at an all-time peak, and expected to go still higher. Despite this, however, department store sales are lagging behind a year ago.

• **Altoona Steady**—Since the Pennsylvania Railroad's yards are Altoona's leading employers by far, any major trouble for the railroads spells trouble for Altoona as well. Thus, Altoona's employment usually plummets downward with a stoppage in the coalfields.

But this time employment kept going up in spite of the coal walkout, for two reasons: (1) It was a short one, and so did not affect the railroads in a big way, and (2) it came in the middle of a rehiring swing, when employment at the yards was still low as an aftermath of the steel shutdown. As steel parts became available, Pennsy kept recalling its furloughed workers—adding 5,000 to its payroll in October, the month of the coal trouble. Altoona business has moved up sharply as employment is fast approaching normal.

• **Coal Areas Off**—As usual, the coal-mining areas of Pennsylvania are lagging behind the general prosperity. Employment at anthracite mines is up seasonally, but the regular winter demand is running considerably behind last year. Scranton, the largest city in the anthracite belt, has had from 10% to 20% unemployment since the end of World War II. Currently, employment in its important textile industry is up, and still rising.

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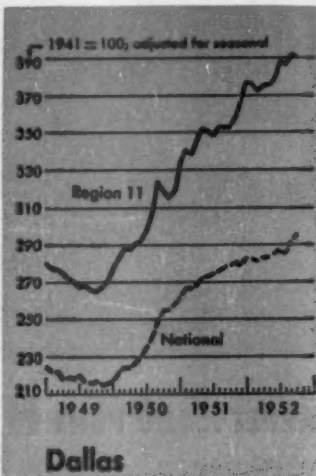
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Force base in Massachusetts are being moved to the base at Dover, Delaware, and some \$22-million worth of construction is planned.

• **Farmers Dip**—With the growing season at its end, the region's farmers close their books on a year in which cash income is no better than 1951. Net income, moreover, is certain to be down from last year, because of increased costs and lower prices.

This year the region had at least two distinct droughty spells. The first, in midsummer, did the most damage. It set back production in many field and fruit crops—potatoes, tobacco, apples, peaches, and grapes. Pennsylvania was worst hit. The second spell, coming in Indian summer, helped farmers with their late harvests, but Pennsylvania's winter wheat has germinated slowly, may have trouble surviving the winter.



ACTIVITY in the Dallas region continues high—except for the agricultural sections, which have been hard hit by drought.

• **New Records**—Nonfarm employment in Texas set successive all-time records in October and November—and will set a new record in December. Industries that are leading in current employment are chemicals and transportation equipment.

Nearly all important labor market areas are sharing in the gains. Houston-Baytown and Dallas lead, with gains over a two-month period of 3,000 and 2,000, respectively, but six other areas—Austin, San Antonio, Corpus Christi, El Paso, Amarillo, and Wichita Falls—have also set records.

The San Antonio area is exceptionally strong. Employment in June, 1952, surpassed the all-time high set the December before, when employment is

normally at a seasonal peak, and each month after June has set a new record. Government construction, and heavy hiring by the Army, played a large part in the initial increases, but the city has had a good, solid growth in its regular business.

There is a constant and substantial flow of new workers into the area, and San Antonio has now passed Dallas in population to become the state's second-largest city.

• **Fewer Farm Workers**—Farm employment in those areas that were hardest hit by the severe drought has failed to gain as usual at this time of the year. In Abilene, a good crop year normally requires 1,000 or more workers to harvest the cotton. This year farmers needed only about 200 extra harvest hands to take care of the small acreages of cotton that could be salvaged.

• **Plant Expansions**—Aluminum Co. of America has started production at its new plant in Rockdale, near Austin. Current employment is around 160, but the plant will need some 1,200 workers when it gets into full operation sometime in 1953.

A drop in the price of zinc caused zinc and lead mining activity in the Silver City (N. M.) area to be cut back, but this is offset, in part, by an expansion of copper mining. Southwest Potash Corp. has started production at its new plant in the Carlsbad (N. M.) area.

• **Range Dry**—In spite of recent rains, which have been of some help, ranges and pastures in Texas are in the poorest condition in years. In many areas there is practically no feed from these sources. This means that not only will ranchers have to pay large sums for feed throughout the winter, but they have to start feeding much earlier than usual. Many counties have been certified as emergency areas, and these are able to obtain drought emergency hay from out of the state at relatively low prices. In addition to the shortage of feed, many cattlemen have been forced to haul water to their herds. As a result of all this, herds have been cut and cattle sold in a steadily falling market.

Winter wheat was seeded in dust in most of the district, and the crop has been at a standstill for weeks.

• **Bright Spots**—Prospects for commercial vegetables are good in those areas that have irrigation, such as the Laredo, Winter Garden, and Eagle Pass sections. Elsewhere in the Rio Grande Valley, considerable acreage, planted after mid-September rains, has been lost.

Some bright spots: Castor beans, a new crop in Texas, supplied 81 carloads this fall, four times the amount shipped to crushing mills last year. And the rice crop in coastal counties 100 mi. on either side of Houston has been much better than last year.

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Eisenhower and the Business Community

After what they feel has been "a long, bitter, crazy struggle with something unpredictable and frightening," businessmen look to the new administration with solid hopes.

It's more than that. Gen. Eisenhower's election in itself injected a long-missing confidence into the business community. A BUSINESS WEEK survey (BW—Nov. 15 '52, p. 28) showed that some executives started new expansion programs right after the election. Many—practically all—were sure that the new administration would be friendly to business, giving them a firmer foundation for future planning.

But just what can business expect in the next year?

What businessmen hope to get is clear. Most of all, they hope that the dollar will be stabilized—that they can be fairly sure that the dollar won't be the elusive thing it has been in the past. They hope economic controls will be killed or allowed to die. They look for tax cuts. And, finally, they expect the machinery of government will be run more cheaply and efficiently.

New Responsibility

And businessmen are prepared to do their part. BUSINESS WEEK's survey found many a businessman feeling, and some saying explicitly, something like this: "We must justify the faith of the voters in the capitalistic system." Clearly, they see the stake they have in moderate government, want no swing back to New Deal-Fair Deal thinking.

This new attitude was reflected immediately in bargaining with unions. You might expect that executives who feel they've been shoved around by labor for close to 20 years would turn vindictively on their unions. But the executives surveyed thought that anyone who tried that would be making a mistake. They're for making the management-labor team work smoothly, think they can do it under a neutral government.

At the same time, it's clear that Gen. Eisenhower and his new administration are up against some very tough problems—particularly in the economic field:

- The boom may be peaking out. Most indicators—of production, employment, income—are at historic peaks. They've been rising a long time. And some may still go higher in the year ahead, but . . .

- There are portents of change. Profit margins have been narrowing, money rates rising, a lot of prices show signs of weakness. And . . .

- Two big programs—defense and industry's expansion of its facilities—will be tapering off in another year. The defense program will still be gaining altitude slowly in 1953, but capital expenditures may already be over the hump.

The general will have little time for studying economic problems. He'll be flying to Korea. Then, as soon as he takes office, he'll be grappling with an \$80-odd-billion budget already presented by President Truman. That budget (BW—Nov. 22 '52, p. 27) will almost certainly be based on deficit financing—which the Republicans will badly want to avoid.

A host of other questions will be pressed on him. The new President will have to decide policy on the United Nations, NATO, tariffs, mobilization controls, financing—and all shortly after he takes over in the White House.

Businessmen, making their own forecasts, don't expect him to "clean up the mess overnight."

Many of them, in fact, expect the Republicans will have to face the problems of recession sometime in 1953 or 1954. Few of them think it will be long-lived or very deep. Many feel that it is inevitable, that it would have come no matter who was elected.

Of course, the very fact that so many people already anticipate a slowdown in business—and will be gearing their own plans to meet it—will help to moderate the downswing if it comes. Even so, with the defense program due to taper off along with business expansion in the next year or two, a major change in the economic climate is in the cards.

Looking Ahead

What does all this add up to?

In the first months of the new administration, the general and the new Congress will be battling to cut spending. Eisenhower has indicated that he hopes to make substantial reductions in the \$60-billion national security program.

That, along with cautious policies on the part of business, might well moderate the boom, keep it from running away.

Then, after midyear, some taxes will be lifted. The excess-profits tax is scheduled to die at midyear, some personal and excise taxes at yearend. The Republicans are firmly pledged to tax reductions. Tax cuts might well give a lift to the economy at a time when it is needed.

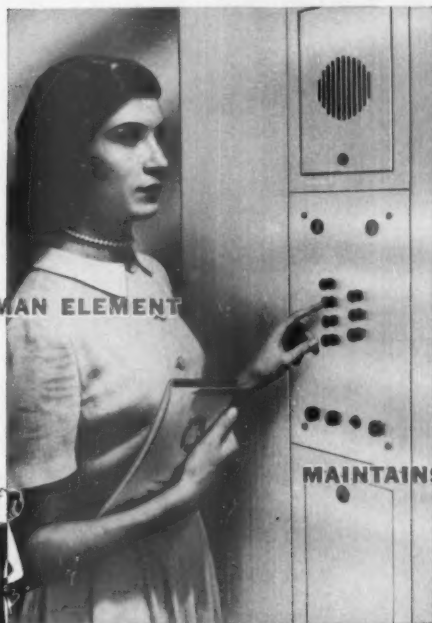
It is far too early to forecast trends for late 1953 with precision. And that fact alone will complicate the new administration's planning. But with a fresh approach in Washington, businessmen are feeling a new responsibility for keeping the economy at a high level.

Perhaps even more important—the fact that the businessmen community once again has an old-fashioned confidence in government will go a long way toward stabilizing the economy.



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Krilium belongs in your midwinter night's dream

Dreaming of a white chrysanthemum, while a white Christmas is blowing up outside? Or of a garden waving green where snow is drifting now? Tuck Krilium soil conditioner into your garden dreams and make *doubly* sure they'll all come true.

This next planting season will be the first spring when Krilium is available to gardeners everywhere. You've read and heard of its benefits from garden authorities in thousands of magazines and newspapers, on the radio and television. Soon you can experience these selfsame results in *your own garden*.

You'll prepare the soil as you always have—dig, break up the clods, fertilize if needed, level off. All you do that's new is mix in Krilium and then water your garden plot. Even clay or silt *stays* granular, porous . . . holds moisture without lumping or packing. Roots get more air and water, grow faster and stronger in loose, loamy soil. And these results are not for just a summer . . . the soil stays Krilium-conditioned for *years*.



5-lb.



1-lb.

Krilium in Merloam® garden formulation available in 1-lb. (\$1.69) and 5-lb. (\$6.95) sizes at garden, hardware, department stores throughout the U. S. and Canada. Full-strength Loamaker® formulation in 10-lb. size also available for larger gardening operations.

*Monsanto Trade-mark



SERVING INDUSTRY . . . WHICH SERVES MANKIND

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